

S T A T E O F W A S H I N G T O N

PROPOSED

2003 SUPPLEMENTAL BUDGET

We will make education the first priority in every budget we write.

— Governor Gary Locke
Inaugural Address, January 15, 1997

GOVERNOR GARY LOCKE
OFFICE OF THE GOVERNOR

SUPPLEMENTAL BUDGET

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Introduction

The Recommendation Summaries document for the 2003 Supplemental Budget displays the major dollar differences between each agency's current (2001-2003) expenditure authority and the revised biennial budget proposed by the Governor.

Governor's Proposed 2003 Supplemental Budget
General Fund - State and Emergency Reserve Fund Balance Sheet
Dollars in Millions

RESOURCES	
Beginning Fund Balance	599.1
November 2002 Revenue Forecast	21,126.2
Enacted Budget Fund Transfers to General Fund	279.6
Tobacco Securitization	450.0
Transfer from Emergency Reserve Fund	325.0
Changes in Reserves and Other Adjustments	40.0
Total Resources (Revenue/Fund Balance)	22,819.9
APPROPRIATIONS, SPENDING ESTIMATES AND SPENDING LIMIT	
Current Biennial Appropriation *	22,451.4
Governor's 2003 Supplemental Budget	235.1
Spending Level	22,686.5
Adjusted I-601 Expenditure Limit	23,205.4
Difference Between I-601 Limit and Expenditures	518.9
UNRESTRICTED GENERAL FUND BALANCE	
Projected Ending Fund Balance	133.3
EMERGENCY RESERVE FUND	
Beginning Fund Balance	462.1
Transfers and Appropriations	(420.0)
Actual/Estimated Interest Earnings	13.0
Projected Ending Fund Balance	55.1
TOTAL RESERVES	
Combined General Fund and Emergency Reserve Fund Ending Balances	188.4

* The Governor vetoed an additional \$2.9 million enhancement for home care workers wages and placed the amount in allotment reserve. The funds are still included in the enacted appropriation. This figure also includes \$217,000 in expenditures above the biennial appropriation, which are permitted by law, to fund National Guard firefighting activities and Law Enforcement Officer/Firefighter retirement contributions.

Agency 045

Supreme Court**Recommendation Summary**

Dollars in Thousands

	FY 03 FTEs	General Fund State	Other Funds	Total Funds
2001-03 Expenditure Authority	64.3	10,987		10,987
Supplemental Changes				
Unemployment Claim Compensation		20		20
Subtotal - Supplemental Changes		20		20
Total Proposed Budget	64.3	11,007		11,007
Difference		20		20
Percent Change	0.0%	0.2%		0.2%

Supplemental Changes**Unemployment Claim Compensation**

The Supreme Court has paid out a total of \$19,737 in unemployment claims this biennium. This request will reimburse the unfunded expenditure.

SUPPLEMENTAL BUDGET

Agency 046

Law Library

Recommendation Summary

Dollars in Thousands

	FY 03 FTEs	General Fund State	Other Funds	Total Funds
2001-03 Expenditure Authority	15.0	3,906		3,906
Supplemental Changes				
Unemployment Claim Compensation		5		5
Subtotal - Supplemental Changes		5		5
Total Proposed Budget	15.0	3,911		3,911
Difference		5		5
Percent Change	0.0%	0.1%		0.1%

Supplemental Changes

Unemployment Claim Compensation

The Law Library has paid \$5,000 in unemployment claims this biennium. This request will fund the unfunded portion of unemployment costs.

Agency 048

Court of Appeals**Recommendation Summary**

Dollars in Thousands

	FY 03 FTEs	General Fund State	Other Funds	Total Funds
2001-03 Expenditure Authority	146.8	25,618		25,618
Supplemental Changes				
Unemployment Claim Compensation		19		19
Subtotal - Supplemental Changes		19		19
Total Proposed Budget	146.8	25,637		25,637
Difference		19		19
Percent Change	0.0%	0.1%		0.1%

Supplemental Changes**Unemployment Claim Compensation**

The Court of Appeals has paid out a total of \$19,307 in unemployment claims this biennium. This request will provide reimbursement for the unfunded expenditure.

SUPPLEMENTAL BUDGET

Agency 055

Office of Administrator for the Courts

Recommendation Summary

Dollars in Thousands

	FY 03 FTEs	General Fund State	Other Funds	Total Funds
2001-03 Expenditure Authority	354.0	30,288	55,226	85,514
Supplemental Changes				
Superior Court Judges' Benefits		2,042		2,042
Unemployment Claim Compensation		71		71
Subtotal - Supplemental Changes		2,113		2,113
Total Proposed Budget	354.0	32,401	55,226	87,627
Difference		2,113		2,113
Percent Change	0.0%	7.0%	0.0%	2.5%

Supplemental Changes

Superior Court Judges' Benefits

Recently, the Thurston County Superior Court ruled that the state can no longer charge counties for half of the cost of Superior Court judges' benefits. This decision requires the state to reimburse the plaintiffs for payments made during the current biennium. The amount requested will allow the Administrative Office of the Courts (AOC) to reimburse counties for the amounts paid during Fiscal Year 2002, as well as allow AOC to pay 100 percent of the Superior Court judges' benefits in Fiscal Year 2003.

Unemployment Claim Compensation

AOC has paid out a total of \$83,000 in unemployment claims this biennium, of which, \$12,000 was funded in the 2002 Supplemental Budget. This request will provide the remaining unfunded portion of unemployment costs.

*Agency 056***Office of Public Defense****Recommendation Summary***Dollars in Thousands*

	FY 03 FTEs	General Fund State	Other Funds	Total Funds
2001-03 Expenditure Authority	5.5	600	12,344	12,944
Supplemental Changes				
Dependency and Termination		170		170
Subtotal - Supplemental Changes		170		170
Total Proposed Budget	5.5	770	12,344	13,114
Difference		170		170
Percent Change	0.0%	28.3%	0.0%	1.3%

Supplemental Changes**Dependency and Termination**

Funding is requested to continue the Dependency and Termination Program, currently underway in Benton, Franklin and Pierce counties, through the end of the 2001-03 Biennium.

SUPPLEMENTAL BUDGET

Agency 100

Office of Attorney General

Recommendation Summary

Dollars in Thousands

	FY 03 FTEs	General Fund State	Other Funds	Total Funds
2001-03 Expenditure Authority	1,092.5	8,881	156,092	164,973
Supplemental Changes				
Tort Defense County Prosecutors		12		12
Subtotal - Supplemental Changes		12		12
Total Proposed Budget	1,092.5	8,893	156,092	164,985
Difference		12		12
Percent Change	0.0%	0.1%	0.0%	0.0%

Supplemental Changes

Tort Defense County Prosecutors

Funding is provided for the payment of on going tort defense costs related to county prosecutor actions.

*Agency 101***Caseload Forecast Council****Recommendation Summary**

Dollars in Thousands

	FY 03 FTEs	General Fund State	Other Funds	Total Funds
2001-03 Expenditure Authority	7.0	1,231		1,231
Supplemental Changes				
Lease Rate Adjustments		9		9
Subtotal - Supplemental Changes		9		9
Total Proposed Budget	7.0	1,240		1,240
Difference		9		9
Percent Change	0.0%	0.7%		0.7%

Supplemental Changes**Lease Rate Adjustments**

Funds are provided to pay the capital surcharge to the Department of General Administration, pursuant to the acquisition of newly leased office space.

SUPPLEMENTAL BUDGET

Agency 103

Community, Trade, and Economic Development

Recommendation Summary

Dollars in Thousands

	FY 03 FTEs	General Fund State	Other Funds	Total Funds
2001-03 Expenditure Authority	320.2	131,092	223,474	354,566
Supplemental Changes				
2003 Supplemental FTE Reduction	(10.7)			
Federal Authority Level Increase			13,623	13,623
Subtotal - Supplemental Changes	(10.7)		13,623	13,623
Total Proposed Budget	309.5	131,092	237,097	368,189
Difference	(10.7)		13,623	13,623
Percent Change	(3.3)%	0.0%	6.1%	3.8%

Supplemental Changes

2003 Supplemental FTE Reduction

In April 2002, the Governor directed agencies to reduce 400 FTEs statewide. The proposed 2003 supplemental budget eliminates these FTEs in agencies achieving the target, and imposes an additional reduction for the rest of the 2001-03 Biennium.

Federal Authority Level Increase

Congress has increased federal appropriations for the Low Income Home Energy Assistance Program (LIHEAP). LIHEAP provides payments to utility companies on behalf of low-income households which cannot afford to pay their energy bills. (General Fund-Federal)

*Agency 105***Office of Financial Management****Recommendation Summary**

Dollars in Thousands

	FY 03 FTEs	General Fund State	Other Funds	Total Funds
2001-03 Expenditure Authority	246.0	24,964	45,988	70,952
Supplemental Changes				
2003 Supplemental FTE Reduction	(6.1)			
Increased Federal Authority			12,000	12,000
Subtotal - Supplemental Changes	(6.1)		12,000	12,000
Total Proposed Budget	239.9	24,964	57,988	82,952
Difference	(6.1)		12,000	12,000
Percent Change	(2.5)%	0.0%	26.1%	16.9%

Supplemental Changes**2003 Supplemental FTE Reduction**

In April 2002, the Governor directed agencies to reduce 400 FTEs statewide. The proposed 2003 supplemental budget eliminates these FTEs in agencies achieving the target, and imposes an additional reduction for the rest of the 2001-03 Biennium.

Increased Federal Authority

Congress has increased the federal appropriation for the AmeriCorps program, which supports the Washington Reading Corps, the Washington Conservation Corps, and various other programs designed to benefit the citizens of Washington State. The amount of federal funding being received for National Criminal History projects has also increased. (General Fund-Federal)

SUPPLEMENTAL BUDGET

Agency 110

Office of Administrative Hearings

Recommendation Summary

Dollars in Thousands

	FY 03 FTEs	General Fund State	Other Funds	Total Funds
2001-03 Expenditure Authority	135.7		22,444	22,444
Supplemental Changes				
2003 Unemployment Caseload Increase			1,079	1,079
Subtotal - Supplemental Changes			1,079	1,079
Total Proposed Budget	135.7		23,523	23,523
Difference			1,079	1,079
Percent Change	0.0%		4.8%	4.8%

Supplemental Changes

2003 Unemployment Caseload Increase

The unemployment caseload continues to increase due to the economic conditions in the state of Washington. The Employment Security Department will pay for these increased hearings from federal funds. (Administrative Hearings Revolving Account-State)

*Agency 119***Commission On African-American Affairs****Recommendation Summary**

Dollars in Thousands

	FY 03 FTEs	General Fund State	Other Funds	Total Funds
2001-03 Expenditure Authority	2.3	418		418
Supplemental Changes				
Resignation Leave Buyout		8		8
Subtotal - Supplemental Changes		8		8
Total Proposed Budget	2.3	426		426
Difference		8		8
Percent Change	0.0%	1.9%		1.9%

Supplemental Changes**Resignation Leave Buyout**

Funding is provided for the leave buyout for an employee who resigned in November 2002. As provided by law, staff departing from state service are compensated for any accumulated annual leave and related benefit costs.

SUPPLEMENTAL BUDGET

Agency 140

Department of Revenue

Recommendation Summary

Dollars in Thousands

	FY 03 FTEs	General Fund State	Other Funds	Total Funds
2001-03 Expenditure Authority	1,021.5	150,768	10,300	161,068
Supplemental Changes				
2003 Supplemental FTE Reduction	(29.0)			
Property Tax Deferral Payments		(380)		(380)
Subtotal - Supplemental Changes	(29.0)	(380)		(380)
Total Proposed Budget	992.5	150,388	10,300	160,688
Difference	(29.0)	(380)		(380)
Percent Change	(2.8)%	(0.3)%	0.0%	(0.2)%

Supplemental Changes

2003 Supplemental FTE Reduction

In April 2002, the Governor directed agencies to reduce 400 FTEs statewide. The proposed 2003 supplemental budget eliminates these FTEs in agencies achieving the target, and imposes an additional reduction for the rest of the 2001-03 Biennium.

Property Tax Deferral Payments

The number of applications for the property tax deferral program has been declining, resulting in lower expenditures. The Department of Revenue expects this change will continue to have a permanent impact on the program.

Agency 195

Liquor Control Board**Recommendation Summary**

Dollars in Thousands

	FY 03 FTEs	General Fund State	Other Funds	Total Funds
2001-03 Expenditure Authority	943.1	2,922	152,704	155,626
Supplemental Changes				
Distribution Center Costs			493	493
Subtotal - Supplemental Changes			493	493
Total Proposed Budget	943.1	2,922	153,197	156,119
Difference			493	493
Percent Change	0.0%	0.0%	0.3%	0.3%

Supplemental Changes**Distribution Center Costs**

The Distribution Center's budget is not sufficient to operate the new Materials Handling System (MHS) and the new Warehouse Management System (WMS). Workload levels caused by increasing sales, plus operational and maintenance requirements of the MHS and WMS, require additional staff. Without sufficient staffing to operate and maintain the recent investment of \$27 million in the new Seattle Distribution Center, the Liquor Control Board cannot meet the demands of its customers. (Liquor Revolving Account)

SUPPLEMENTAL BUDGET

Agency 245

Military Department

Recommendation Summary

Dollars in Thousands

	FY 03 FTEs	General Fund State	Other Funds	Total Funds
2001-03 Expenditure Authority	213.0	17,875	130,483	148,358
Supplemental Changes				
Nisqually Earthquake Adjustment			3,027	3,027
Disaster Response Adjustment			(3,913)	(3,913)
National Guard Activation Costs		134		134
Homeland Security			1,498	1,498
FTE and Federal Funding Adjustment			3,996	3,996
Subtotal - Supplemental Changes		134	4,608	4,742
Total Proposed Budget	213.0	18,009	135,091	153,100
Difference		134	4,608	4,742
Percent Change	0.0%	0.7%	3.5%	3.2%

Supplemental Changes

Nisqually Earthquake Adjustment

Funding has been adjusted to reflect the most recent estimates to repair damages caused by the 2001 Nisqually Earthquake. (Nisqually Earthquake Account-State/Federal)

Disaster Response Adjustment

Funding has been adjusted to reflect the most recent estimates to repair damages caused by floods and other disasters in the mid-1990s. (Disaster Response Account-State/Federal)

National Guard Activation Costs

The National Guard was activated in August 2001 to assist in the firefighting efforts in eastern Washington. In addition to firefighting costs, funding is provided for the on going medical costs for a National Guard member who suffers from a chronic medical condition resulting from his participation in fighting the fires while on State Active Duty.

Homeland Security

The Federal Emergency Management Agency (FEMA) has awarded \$2.5 million to Washington State for homeland security purposes. Of that amount, FEMA has earmarked \$1.6 million for local jurisdictions; \$0.4 million for the Citizen Corps and Community Emergency Response Teams; \$50,000 to conduct assessments of state and local Emergency Operation Centers; and \$0.3 million for terrorism consequence management. Of the remaining \$0.2 million, the Washington State Military Department will retain \$0.1 million for administration of the grant, and \$0.1 million is available to state agencies on a competitive basis for homeland security preparedness. No state match is required for this grant award. Funding is provided for the portion of the award the Department expects to spend during Fiscal Year 2003. (General Fund-Federal)

FTE and Federal Funding Adjustment

The National Guard Bureau (NGB) increased support for operations, maintenance, environmental management, electronic and physical security, and telecommunications support. (General Fund-Federal)

Agency 476

Growth Management Hearings Office**Recommendation Summary**

Dollars in Thousands

	FY 03 FTEs	General Fund State	Other Funds	Total Funds
2001-03 Expenditure Authority	12.0	2,958		2,958
Supplemental Changes				
Annual Leave Buy-out		38		38
Subtotal - Supplemental Changes		38		38
Total Proposed Budget	12.0	2,996		2,996
Difference		38		38
Percent Change	0.0%	1.3%		1.3%

Supplemental Changes**Annual Leave Buy-out**

Funding is needed to cover the cost of payments to two Western Board members who have retired, or will retire, during Fiscal Year 2003. Members are entitled to compensation for accumulated annual leave and sick leave, as provided by law. The agency also incurs related benefit costs.

SUPPLEMENTAL BUDGET

Agency 300

Department of Social and Health Services

Recommendation Summary

Dollars in Thousands

	FY 03 FTEs	General Fund State	Other Funds	Total Funds
2001-03 Expenditure Authority	17,820.3	6,126,587	9,300,173	15,426,760
Supplemental Changes				
Mandatory Workload Changes	82.8	3,223	2,404	5,627
Mandatory Caseload Changes		23,512	46,573	70,085
Program Transfers				
Trauma Assistance			8,700	8,700
Centennial Building Lease Savings		431	287	718
HIPAA Standard Transactions	27.4	3,001	6,638	9,639
State Supplemental Payments	4.0	10,556	269	10,825
Balanced Budget Act Implementation		1,592	1,592	3,184
SSI Client Contributions		405		405
Public Safety		315	342	657
Basic Health Plan		35	1,116	1,151
ACES Re-Procurement		287	270	557
Increase Incapacity Exams		1,469	301	1,770
Banking Fees		111	216	327
IRS Intercept Program Costs		31	61	92
Food Assistance Program		2,820		2,820
Therapeutic Consultation Services		465	1,395	1,860
MMIS Procurement		21	189	210
BBA Regulations	4.0	130	130	260
DSH Disallowance		23,300		23,300
Special Commitment Center Legal Fees		392		392
ProShare and Fiscal Year 2002 Closing Adjustment			(380,637)	(380,637)
Home Care Worker Wage		(2,927)	(2,945)	(5,872)
Technical Corrections	4.0	394	393	787
Postage		404	369	773
Utilities		605	310	915
2003 Supplemental FTE Reduction	(262.8)			
Utilization Changes		53,673	106,338	160,011
Medication Utilization		147		147
Increase Disproportionate Share Hospital		5,350	(5,350)	
Administrative Reductions	(30.5)			
Federal Funding Adjustments		3,300	(3,300)	
Olmstead Placement Reversal	62.0	357	256	613
Audit Responses	3.8	221	147	368
Forecast Cost/Utilization		(383)	(1,980)	(2,363)
Abuse Prevention	14.0	397	772	1,169
Marr Lawsuit	2.0	1,523	107	1,630
Adult Family Homes Licensing Fee		392	(392)	
Foster Parent Training	4.5	271	100	371
Developmental Disabilities Parent Participation		1,410	122	1,532
Subtotal - Supplemental Changes	(84.8)	137,230	(215,207)	(77,977)
Total Proposed Budget	17,735.5	6,263,817	9,084,966	15,348,783
Difference	(84.8)	137,230	(215,207)	(77,977)
Percent Change	(0.5)%	2.2%	(2.3)%	(0.5)%

Program 010

DSHS - Children's Administration**Recommendation Summary**

Dollars in Thousands

	FY 03 FTEs	General Fund State	Other Funds	Total Funds
2001-03 Expenditure Authority	2,303.1	456,146	376,406	832,552
Supplemental Changes				
Mandatory Caseload Changes		4,769	1,133	5,902
Centennial Building Lease Savings		132	44	176
Postage		58	21	79
2003 Supplemental FTE Reduction	(49.3)			
Administrative Reductions		(56)	(18)	(74)
Foster Parent Training	4.5	271	100	371
Developmental Disabilities Parent Participation		690	122	812
Subtotal - Supplemental Changes	(44.8)	5,864	1,402	7,266
Total Proposed Budget	2,258.3	462,010	377,808	839,818
Difference	(44.8)	5,864	1,402	7,266
Percent Change	(1.9)%	1.3%	0.4%	0.9%

Supplemental Changes**Mandatory Caseload Changes**

The Children's Administration is provided funding for workload increases based on the October 2002 caseload forecast adopted by the Caseload Forecast Council, and the expenditure forecast projected by the Department of Social and Health Services Office of Forecasting and Policy Analysis, for the Adoption and Foster Care programs. (General Fund-State, General Fund-Federal)

Centennial Building Lease Savings

Funding was reduced in the 2001-03 biennial budget, anticipating that Centennial Buildings I and II would be purchased by the Department of General Administration. These purchases did not occur and funding to support existing leases is insufficient. (General Fund-State, General Fund-Federal)

Postage

Postage rates have increased by 8.8 percent due to a United States Postal Service (USPS) rate increase for first-class mail. This item funds the difference between the \$.34 rate and the new \$.37 rate, which went into effect June 30, 2002. (General Fund-State, General Fund-Federal)

2003 Supplemental FTE Reduction

In April 2002, the Governor directed agencies to reduce 400 FTEs statewide. The proposed 2003 supplemental budget eliminates these FTEs in agencies achieving the target, and imposes an additional reduction for the rest of the 2001-03 Biennium.

Administrative Reductions

The administrative reductions made in the 2002 supplemental budget are distributed to all programs within the Department of Social and Health Services. (General Fund-State, General Fund-Federal)

SUPPLEMENTAL BUDGET

Foster Parent Training

The Children's Administration is provided \$371,000 and 4.5 FTE staff years to meet the requirements of Section IV, the Unsafe Placements provision, of the Braams lawsuit injunction. Although the remaining sections of the lawsuit were stayed, pending appeal to the Washington State Supreme Court, unsafe placements was not. As a result, in August 2002, the Department of Social and Health Services began providing specialized training for foster parents and staff on sexually aggressive and physically assaultive youth. (General Fund-State, General Fund-Federal)

Developmental Disabilities Parent Participation

Funds are restored to the Children's Administration and Developmental Disabilities Services, that were removed in the 2002 Supplemental Budget on the assumption that the legislation needed to authorize the Division of Child Support to assess and collect child support from parents of children with developmental disabilities would pass. (General Fund-State, General Fund-Federal)

Program 020

DSHS - Juvenile Rehabilitation**Recommendation Summary**

Dollars in Thousands

	FY 03 FTEs	General Fund State	Other Funds	Total Funds
2001-03 Expenditure Authority	1,172.9	162,258	68,595	230,853
Supplemental Changes				
Mandatory Workload Changes	5.2	371	(52)	319
Centennial Building Lease Savings		20		20
Postage		7		7
Utilities		251		251
Medication Utilization		147		147
Administrative Reductions		(90)	(4)	(94)
Subtotal - Supplemental Changes	5.2	706	(56)	650
Total Proposed Budget	1,178.1	162,964	68,539	231,503
Difference	5.2	706	(56)	650
Percent Change	0.4%	0.4%	(0.1)%	0.3%

Supplemental Changes**Mandatory Workload Changes**

The Juvenile Rehabilitation Administration is provided funding for workload increases based on the November 2002 Forecast accepted by the Caseload Forecast Council. (General Fund-State, General Fund-Federal)

Centennial Building Lease Savings

This request restores funding that was reduced from the 2001-03 Biennium Budget anticipating that Centennial Buildings I and II would be purchased by the Department of General Administration (GA). These purchases did not occur and funding to support existing leases is insufficient.

Postage

Postage rates have increased by 8.8 percent due to a United States Postal Service (USPS) rate increase for first-class mail. This item funds the difference between the \$.34 rate and the new \$.37 rate, which went into effect July 1, 2002.

Utilities

Funding is provided to cover higher utility costs for known rate increases for electricity, natural gas, water, sewage, and other services.

Medication Utilization

The cost of psychotropic drugs, and utilization and inflation rates for other medical services, have increased above budgeted levels for Juvenile Rehabilitation Administration institutions.

Administrative Reductions

The administrative reductions made in the 2002 supplemental budget are distributed to all programs within the Department of Social and Health Services. (General Fund-State, General Fund-Federal)

SUPPLEMENTAL BUDGET

Program 030

DSHS - Mental Health

Recommendation Summary

Dollars in Thousands

	FY 03 FTEs	General Fund State	Other Funds	Total Funds
2001-03 Expenditure Authority	3,002.1	583,737	563,517	1,147,254
Supplemental Changes				
Mandatory Workload Changes	46.7	1,967	801	2,768
Mandatory Caseload Changes		1,248	1,253	2,501
Balanced Budget Act Implementation		1,592	1,592	3,184
Special Commitment Center Legal Fees		392		392
Postage		6	1	7
Utilities		112	68	180
Increase Disproportionate Share Hospital		5,350	(5,350)	
Administrative Reductions		(194)	(71)	(265)
Marr Lawsuit	2.0	1,523	107	1,630
Subtotal - Supplemental Changes	48.7	11,996	(1,599)	10,397
Total Proposed Budget	3,050.8	595,733	561,918	1,157,651
Difference	48.7	11,996	(1,599)	10,397
Percent Change	1.6%	2.1%	(0.3)%	0.9%

Supplemental Changes

Mandatory Workload Changes

The Child Study and Treatment Center (CSTC), Western State Hospital (WSH), and Eastern State Hospital (ESH) have experienced substantial workload increases. Staff are needed to meet the needs of the growing population of patients with developmental disabilities at CSTC and WSH, increases in the number of high needs in-patient children at CSTC, and an increased forensic census at ESH. (General Fund-State, General Fund-Federal)

Mandatory Caseload Changes

This item reflects the impact of changes in the Medicaid caseload forecast for Fiscal Year 2003. The number of Medicaid eligibles is the basis for funding levels to the Regional Support Networks. (General Fund-State, General Fund-Federal)

Balanced Budget Act Implementation

The Balanced Budget Act of 1997 (BBA) passed Congress as a protection for clients enrolled in managed care. The major rules of the Act affecting administration of managed care programs were published in final form in June 2002. These rules must be implemented no later than August 13, 2003. These rules have a major impact on the prepaid health plans making them administratively equal to Health Maintenance Organizations (HMOs.) Because of the process of obtaining a 1915(b) waiver, the Mental Health Division will be required to have the actuarial/cost effectiveness analysis done by May 31, 2003, as well as the client notifications prepared and ready to be sent out on July 1, 2003. (General Fund-State, General Fund-Federal)

Special Commitment Center Legal Fees

Counties incur legal fees during the state civil commitment process for sexually violent predators. These costs are then billed to the Special Commitment Center (SCC). Funding is provided to cover the shortfall that was estimated in the SCC forecast model for Fiscal Year 2003.

Postage

Postage rates have increased by 8.8 percent due to a United States Postal Service (USPS) rate increase for first-class mail. This item funds the difference between the \$.34 rate and the new \$.37 rate, which went into effect July 1, 2002.

Utilities

Western State Hospital (WSH) has experienced electricity expenditures considerably higher than budgeted amounts. WSH cannot absorb the cost without impacting other parts of its program. (General Fund-State, General Fund-Federal)

Increase Disproportionate Share Hospital

An increase in General Fund-State funding is needed to replace General Fund-Federal funding lost due to the reduction to the Institution for Mental Disease Disproportionate Share Hospital lid. (General Fund-State, General Fund-Federal)

Administrative Reductions

The administrative reductions made in the 2002 supplemental budget are distributed to all programs within the Department of Social and Health Services. (General Fund-State, General Fund-Federal)

Marr Lawsuit

Eastern State Hospital (ESH) proposes to establish a separate Habilitative Mental Health (HMH) ward exclusively for persons who are enrolled with the Developmental Disabilities Services (DDS). This ward will use existing vacant space at ESH, but require some alterations to accommodate the DDS clients' needs. Funding is provided for 2.0 FTE staff years, staff training costs, facility alteration costs, attorney fees, and court monitor costs per the preliminary Marr settlement agreement. (General Fund-State, General Fund-Federal)

SUPPLEMENTAL BUDGET

Program 040

DSHS - Developmental Disabilities

Recommendation Summary

Dollars in Thousands

	FY 03 FTEs	General Fund State	Other Funds	Total Funds
2001-03 Expenditure Authority	3,344.9	629,106	578,745	1,207,851
Supplemental Changes				
Mandatory Caseload Changes		(226)	(226)	(452)
State Supplemental Payments	4.0	156	269	425
SSI Client Contributions		153		153
Public Safety		315	342	657
Technical Corrections	4.0			
Postage		12	11	23
Utilities		242	242	484
Administrative Reductions		(222)	(109)	(331)
Federal Funding Adjustments		3,300	(3,300)	
Olmstead Placement Reversal	62.0	357	256	613
Audit Responses	3.8	221	147	368
Developmental Disabilities Parent Participation		720		720
Subtotal - Supplemental Changes	73.8	5,028	(2,368)	2,660
Total Proposed Budget	3,418.7	634,134	576,377	1,210,511
Difference	73.8	5,028	(2,368)	2,660
Percent Change	2.2%	0.8%	(0.4)%	0.2%

Supplemental Changes

Mandatory Caseload Changes

The October 2002 Medicaid Personal Care Forecast indicates that the average caseload has decreased and per capita expenditures have increased. (General Fund-State, General Fund-Federal)

State Supplemental Payments

The Aging and Disabilities Services Administration needs additional staffing to assist clients who qualify for the Supplemental Security Income/State Supplemental Payment Program established during the 2002 legislative session. (General Fund-State, General Fund-Federal)

SSI Client Contributions

Funding is provided to replace lost client contributions in the Aging and Disabilities Services Administration.

Public Safety

Residential and other essential supports are provided to eligible clients released from state hospitals who pose a public safety risk due to mental illness and/or challenging behaviors, and to eligible clients scheduled for release from the Department of Corrections. (General Fund-State, General Fund-Federal)

Technical Corrections

The legislative budget left out staffing authority involved in the implementation of the State Support Program and Home and Community Based Waiver management.

Postage

Postage rates have increased by 8.8 percent due to a United States Postal Service (USPS) rate increase for first-class mail. This item funds the difference between the \$.34 rate and the new \$.37 rate, which went into effect July 1, 2002.

Utilities

The Fircrest Residential Rehabilitation Center has experienced gas and electricity expenditures well above budgeted amounts. Fircrest cannot absorb the costs without impacting other parts of its program. (General Fund-State, General Fund-Federal)

Administrative Reductions

The administrative reductions made in the 2002 supplemental budget are spread to all programs within the Department of Social and Health Services. (General Fund-State, General Fund-Federal)

Federal Funding Adjustments

The Legislature did not appropriate sufficient state dollars to match the Administration's anticipated federal earnings in its residential programs. This item provides additional state dollars to match the Division's federal allotment. (General Fund-State, General Fund-Federal)

Olmstead Placement Reversal

The expected level of savings from the Residential Habilitation Center (RHC) cottage closures will not be realized due to a slower rate of placements into the community than originally estimated. The Legislature anticipated that the Division may not make sufficient placements into community settings and allows the Aging and Disabilities Services Administration to transfer unspent community funding to the RHCs. A technical correction to the FTE staff year assumption is also made. (General Fund-State, General Fund-Federal)

Audit Responses

Infrastructure issues were identified within the Aging and Disabilities Services Administration during recent audits by the Joint Legislative Audit Review Committee, Sterling Associates, and the Center for Medicaid and Medicare Services. (General Fund-State, General Fund-Federal)

Developmental Disabilities Parent Participation

Funds are restored to the Children's Administration and Aging and Disabilities Services Administration that were removed in the 2002 supplemental budget, on the assumption that the legislation needed to authorize the Division of Child Support to assess and collect child support from parents of children with developmental disabilities would pass. (General Fund-State)

SUPPLEMENTAL BUDGET

Program 050

DSHS - Long Term Care

Recommendation Summary

Dollars in Thousands

	FY 03 FTEs	General Fund State	Other Funds	Total Funds
2001-03 Expenditure Authority	1,091.8	1,019,137	1,069,625	2,088,762
Supplemental Changes				
Mandatory Workload Changes	13.4	619	873	1,492
Mandatory Caseload Changes		6,310	6,167	12,477
Centennial Building Lease Savings		36	35	71
SSI Client Contributions		252		252
Basic Health Plan		35	1,116	1,151
Home Care Worker Wage		(2,927)	(2,945)	(5,872)
Technical Corrections		394	393	787
Postage		16	15	31
Administrative Reductions		(411)	(154)	(565)
Forecast Cost/Utilization		(383)	(1,980)	(2,363)
Abuse Prevention	14.0	397	772	1,169
Adult Family Homes Licensing Fee		392	(392)	
Subtotal - Supplemental Changes	27.4	4,730	3,900	8,630
Total Proposed Budget	1,119.2	1,023,867	1,073,525	2,097,392
Difference	27.4	4,730	3,900	8,630
Percent Change	2.5%	0.5%	0.4%	0.4%

Supplemental Changes

Mandatory Workload Changes

Funding is provided for costs associated with the professional staff necessary to verify Medicaid eligibility, assess functional disability, ensure Quality Assurance, and coordinate the delivery of appropriate and cost-effective services for the anticipated caseloads in all long-term care settings. These changes are based on the November 2002 Caseload Forecast Council (CFC) update. (General Fund-State, General Fund-Federal, General Fund-Private/Local)

Mandatory Caseload Changes

This decision package reflects the costs and savings associated with caseload changes in the November 2002 forecast from the Department of Social and Health Services' (DSHS) Office of Forecast and Policy Analysis (OFPA), which is based on the official Caseload Forecast Council (CFC) November 2002 Forecast.

Centennial Building Lease Savings

Funding was reduced from the 2001-03 biennial budget, anticipating that Centennial Buildings I and II would be purchased by the Department of General Administration. These purchases did not occur and funding to support existing leases is insufficient. (General Fund-State, General Fund-Federal)

SSI Client Contributions

Funding is provided to replace lost client contributions in the Aging and Disabilities Services Administration.

Basic Health Plan

The continuing cost of the Basic Health Plan (BHP) is funded for individual and agency providers who meet the eligibility requirements for health care coverage through the BHP, or equivalent benefits offered through a private market plan. (General Fund-State, General Fund-Federal, Health Services Account)

Home Care Worker Wage

Funding for a 25-cent per hour wage increase for individual and agency providers of home care services is eliminated, consistent with the Governor's veto in the 2002 legislative session. (General Fund-State, General Fund-Federal)

Technical Corrections

Cost calculations to fully fund case managers for in-home case management by Area Agencies on Aging are fully funded. (General Fund-State, General Fund-Federal)

Postage

Postage rates have increased by 8.8 percent due to a United States Postal Service (USPS) rate increase for first-class mail. This item funds the difference between the \$.34 rate and the new \$.37 rate, which went into effect July 1, 2002. (General Fund-State, General Fund-Federal)

Administrative Reductions

The administrative reductions made in the 2002 supplemental budget are distributed to all programs within the Department of Social and Health Services. (General Fund-State, General Fund-Federal)

Forecast Cost/Utilization

Costs and savings are associated with the cost, and utilization changes in the October 2002 forecast from the Department of Social and Health Services Office of Forecast and Policy Analysis. This forecast is based on the official Caseload Forecast Council October 2002 Forecast. (General Fund-State, General Fund-Federal)

Abuse Prevention

The Aging and Disabilities Services Administration (ADSA) requires funding to provide the match to a Centers for Medicare and Medicaid Services federal grant, which assists the state in meeting federal guidelines for timely investigations of nursing home complaints. (General Fund-State, General Fund-Federal)

Adult Family Homes Licensing Fee

Funding is provided to make up for the short-fall in local funds needed by Aging and Disabilities Services Administration to fund residential licensing activities. The local funding was to have been generated in part by an increase in adult family home licensing fees, which did not occur because the authorizing legislation was not passed in the 2002 legislative session. (General Fund-State, General Fund-Private/Local)

SUPPLEMENTAL BUDGET

Program 060

DSHS - Economic Services Administration

Recommendation Summary

Dollars in Thousands

	FY 03 FTEs	General Fund State	Other Funds	Total Funds
2001-03 Expenditure Authority	4,695.9	837,958	1,382,407	2,220,365
Supplemental Changes				
Mandatory Caseload Changes		10,748	25,791	36,539
Centennial Building Lease Savings		215	207	422
State Supplemental Payments		10,400		10,400
ACES Re-Procurement		287	270	557
Increase Incapacity Exams		1,469	301	1,770
Banking Fees		111	216	327
IRS Intercept Program Costs		31	61	92
Food Assistance Program		2,820		2,820
Postage		242	268	510
2003 Supplemental FTE Reduction	(152.6)			
Administrative Reductions		(1,822)	(416)	(2,238)
Subtotal - Supplemental Changes	(152.6)	24,501	26,698	51,199
Total Proposed Budget	4,543.3	862,459	1,409,105	2,271,564
Difference	(152.6)	24,501	26,698	51,199
Percent Change	(3.2)%	2.9%	1.9%	2.3%

Supplemental Changes

Mandatory Caseload Changes

The October 2002 caseload forecast adopted by the Caseload Forecast Council makes changes for the 2003 Supplemental Budget request for the Economic Services Administration. The dollars associated with each caseload have been adjusted to reflect the most recent forecast in the case of Refugee Assistance, Supplemental Security Income (SSI), General Assistance-Unemployable (GAU), Consolidated Emergency Assistance Program (CEAP), and grant diversion forecasts. The Temporary Assistance to Needy Families (TANF) grant assumptions are targets. (General Fund-State, General Fund-Federal)

Centennial Building Lease Savings

Funding was reduced from the 2001-03 biennial budget anticipating that Centennial Buildings I and II would be purchased by the Department of General Administration. These purchases did not occur and funding to support existing leases is insufficient. (General Fund-State, General Fund-Federal)

State Supplemental Payments

Additional funding is needed to meet the federal Maintenance of Effort spending requirements of the Supplemental Security Income/State Supplemental Payment program. (General Fund-State, General Fund-Federal)

ACES Re-Procurement

Funding is needed to re-procure the maintenance and operations services for the Automated Client Eligibility System (ACES) contract that provides ongoing development, maintenance, and operation of the system. The Information Services Board supports this contract re-procurement. The current contract is due to expire July 18, 2003. (General Fund-State, General Fund-Federal)

Increase Incapacity Exams

Program costs for incapacity exams for General Assistance-Unemployable (GA-U) clients have increased due to the growing number of applicants, increased emphasis on more objective "evidence-based" eligibility determination, and greater emphasis on referrals to the federal Supplemental Security Income (SSI) program. Additional funding is necessary to cover the increases that stem from these changes. (General Fund-State, General Fund-Federal)

Banking Fees

The Division of Child Support (DCS) has increased the number of child support payments, while simultaneously decreasing the time funds stay in the local bank account. In addition, DCS has increased the use of electronic fund transfers by 56 percent over a three-and-one-half year period. These factors, plus the recent downturn in interest rates, have created a situation where costs have outpaced earnings. (General Fund-State, General Fund-Federal)

IRS Intercept Program Costs

Federal regulations require the state's Child Support Enforcement program to participate in the federal Internal Revenue Service (IRS) Tax Intercept program. The cost per intercept has increased from \$6.80 in 1998 to \$11.65 in 2002. This represents approximately a 71 percent increase in costs in four years. In addition, the number of intercepts has also increased approximately 32 percent during the same period. (General Fund-State, General Fund-Federal)

Food Assistance Program

During the Fiscal Year 2002 Supplemental Budget process, the Legislature reduced the Fiscal Year 2003 budget for the State Food Assistance for Legal Immigrants program to \$4.47 million. The reduction was based on the assumption that the Farm Bill would restore federal benefits to most legal immigrants effective October 1, 2002. Under the Food Stamp Reauthorization Act of 2002, federal benefit restoration for the largest portion of the legal immigrant population was delayed until April 2003. Additional funds are needed for Fiscal Year 2003, only to meet the ongoing need of this program. (General Fund-State, General Fund-Federal)

Postage

Postage rates have increased by 8.8 percent due to a United States Postal Service (USPS) rate increase for first-class mail. This item funds the difference between the \$.34 rate and the new \$.37 rate, which went into effect July 1, 2002. (General Fund-State, General Fund-Federal)

2003 Supplemental FTE Reduction

In April 2002, the Governor directed agencies to reduce 400 FTEs statewide. The proposed 2003 supplemental budget eliminates these FTEs in agencies achieving the target, and imposes an additional reduction for the rest of the 2001-03 Biennium.

Administrative Reductions

The administrative reductions made in the 2002 supplemental budget are distributed to all programs within the Department of Social and Health Services. (General Fund-State, General Fund-Federal)

SUPPLEMENTAL BUDGET

Program 070

DSHS - Alcohol And Substance Abuse

Recommendation Summary

Dollars in Thousands

	FY 03 FTEs	General Fund State	Other Funds	Total Funds
2001-03 Expenditure Authority	102.9	72,873	158,005	230,878
Supplemental Changes				
Postage		8	2	10
2003 Supplemental FTE Reduction	(3.4)			
Administrative Reductions		(455)	(12)	(467)
Subtotal - Supplemental Changes	(3.4)	(447)	(10)	(457)
Total Proposed Budget	99.5	72,426	157,995	230,421
Difference	(3.4)	(447)	(10)	(457)
Percent Change	(3.3)%	(0.6)%	(0.0)%	(0.2)%

Supplemental Changes

Postage

Postage rates have increased by 8.8 percent due to a United States Postal Service (USPS) rate increase for first-class mail. This item funds the difference between the \$.34 rate and the new \$.37 rate, which went into effect July 1, 2002. (General Fund-State, General Fund-Federal)

2003 Supplemental FTE Reduction

In April 2002, the Governor directed agencies to reduce 400 FTEs statewide. The proposed 2003 supplemental budget eliminates these FTEs in agencies achieving the target, and imposes an additional reduction for the rest of the 2001-03 Biennium.

Administrative Reductions

The administrative reductions made in the 2002 supplemental budget are distributed to all programs within the Department of Social and Health Services. (General Fund-State, General Fund-Federal)

Program 080

DSHS - Medical Assistance Payments**Recommendation Summary**

Dollars in Thousands

	FY 03 FTEs	General Fund State	Other Funds	Total Funds
2001-03 Expenditure Authority	943.9	2,205,908	4,945,668	7,151,576
Supplemental Changes				
Mandatory Workload Changes	17.5	266	782	1,048
Mandatory Caseload Changes		663	12,455	13,118
Program Transfers	5.0	887	1,938	2,825
Trauma Assistance			8,700	8,700
Therapeutic Consultation Services		465	1,395	1,860
MMIS Procurement		21	189	210
BBA Regulations	4.0	130	130	260
DSH Disallowance		23,300		23,300
ProShare and Fiscal Year 2002 Closing Adjustment			(380,637)	(380,637)
Postage		23	41	64
2003 Supplemental FTE Reduction	(30.7)			
Utilization Changes		53,673	106,338	160,011
Administrative Reductions		(1,200)	(2,116)	(3,316)
Subtotal - Supplemental Changes	(4.2)	78,228	(250,785)	(172,557)
Total Proposed Budget	939.7	2,284,136	4,694,883	6,979,019
Difference	(4.2)	78,228	(250,785)	(172,557)
Percent Change	(0.4)%	3.5%	(5.1)%	(2.4)%

Supplemental Changes**Mandatory Workload Changes**

This item applies the workload cost model for the caseload forecast adopted by the Caseload Forecast Council in November 2002. Indicated workload increases require 8.5 FTE staff years in the second fiscal year in the Division of Disability Determination services and 2.8 additional FTE staff years in the second fiscal year in medical assistance claims processing. (General Fund-State, General Fund-Federal)

Mandatory Caseload Changes

The medical assistance caseload is adjusted to reflect projected expenditures resulting from changes in the Fiscal Year 2003 Medical Assistance Administration maintenance level caseload. The largest part of this change is in the Categorically Needy Program with caseload-related increases of almost \$30 million - approximately \$10 million state and \$20 million federal. A simultaneous decrease in state funds is being driven by a lower General Assistance-Unemployable caseload. The net impact of all caseload changes is a proportionately smaller increase in state funds than in federal funds. (General Fund-State, General Fund-Federal, Health Services Account-State)

Program Transfers

The Payment Review Program (PRP) uses technological tools and software to identify and prevent inappropriate provider billings. At this time, the primary user of the PRP is the Medical Assistance Administration (MAA), since that is where provider payments are made. This item transfers the PRP to MAA and aligns activities, simplifying the budgeting and appropriations processes. A like decrease is shown in the Administration and Supporting Services Program. (General Fund-State, General Fund-Federal)

SUPPLEMENTAL BUDGET

Trauma Assistance

Larger than expected volumes of trauma-related claims have led to projected insufficient appropriation authority for the current biennium. The spending authority is increased to cover the estimated need. (Emergency Medical Services and Trauma Care Systems Trust Account-State)

Therapeutic Consultation Services

The Medical Assistance Administration (MAA) needs funding for the administration of Therapeutic Consultation Services (TCS). TCS provides clinical reviews and consultations to prescribers, pharmacists, and clients when changes in drug therapy can result in equivalent or improved medical outcomes and save money. (General Fund-State, General Fund-Federal)

MMIS Procurement

The Medicaid Management Information System (MMIS) contract provides for the operation, maintenance, and enhancements for the Department of Social and Health Services Medicaid programs with provider payments and related reporting totaling over \$3 billion per year. The Information Services Board supports a contract repurchase effort. The current contract expires December 31, 2004. However, the existing system does not meet current business needs and a repurchase, while satisfying HIPAA requirements, would do little to improve the aged and unsatisfactory system. A feasibility study will be conducted to assess long-term, systemwide needs and develop a strategy to replace rather than repurchase the existing system. (General Fund-State, General Fund-Federal)

BBA Regulations

The Medical Assistance Administration needs four FTE staff years to implement Medicaid Managed Care regulations stemming from the Balanced Budget Act of 1997 (BBA). The new federal regulations became effective in August 2002 and place new record-keeping and reporting requirements on state-administered Medicaid programs that do business with managed care organizations. (General Fund-State, General Fund-Federal)

DSH Disallowance

As required by section 1902(a)(13)(A) of the Social Security Act, the Medical Assistance Administration gives consideration to hospitals, which serve a disproportionate share of low-income clients with special needs (Disproportion Share Hospital payment). A payment adjustment is provided to eligible hospitals following rules and guidelines outlined in WAC 388-550-4900.

The Office of the Inspector General conducted an audit of this program for State Fiscal Year 1999 and identified \$23,300,000 in federal monies that may need to be refunded.

ProShare and Fiscal Year 2002 Closing Adjustment

The first fiscal year's expenditures are adjusted to the November 2002 forecast changes that include lower than expected ProShare revenues, requiring Medical Assistance Administration expenditures to be reduced by \$375.6 million and an adjustment to the accounting activity that closes the Fiscal Year 2002 books, lowering that expenditure by \$2.2 million. (Health Services Account-State)

Postage

Postage rates have increased by 8.8 percent due to a United States Postal Service (USPS) rate increase for first-class mail. This item funds the difference between the \$.34 rate and the new \$.37 rate, which went into effect July 1, 2002. (General Fund-State, General Fund-Federal)

2003 Supplemental FTE Reduction

In April 2002, the Governor directed agencies to reduce 400 FTEs statewide. The proposed 2003 supplemental budget eliminates these FTEs in agencies achieving the target, and imposes an additional reduction for the rest of the 2001-03 Biennium.

Utilization Changes

Funding is needed to address changes in utilization of medical services by Medical Assistance Administration clients in Fiscal Year 2003, as estimated in the Medical Assistance October 2002 forecast. (General Fund-State, General Fund-Federal, Health Services Account)

Administrative Reductions

The administrative reductions made in the 2002 supplemental budget are distributed to all programs within the Department of Social and Health Services. (General Fund-State, General Fund-Federal)

SUPPLEMENTAL BUDGET

Program 100

DSHS - Vocational Rehabilitation

Recommendation Summary

Dollars in Thousands

	FY 03 FTEs	General Fund State	Other Funds	Total Funds
2001-03 Expenditure Authority	337.1	20,520	82,595	103,115
Supplemental Changes				
Centennial Building Lease Savings		25		25
Postage		8		8
Administrative Reductions		(47)	(50)	(97)
Subtotal - Supplemental Changes		(14)	(50)	(64)
Total Proposed Budget	337.1	20,506	82,545	103,051
Difference		(14)	(50)	(64)
Percent Change	0.0%	(0.1)%	(0.1)%	(0.1)%

Supplemental Changes

Centennial Building Lease Savings

Funding was reduced in the 2001-03 biennial budget, anticipating that Centennial Buildings I and II would be purchased by the Department of General Administration. These purchases did not occur and funding to support existing leases is insufficient.

Postage

Postage rates have increased by 8.8 percent due to a United States Postal Service (USPS) rate increase for first-class mail. This item funds the difference between the \$.34 rate and the new \$.37 rate, which went into effect July 1, 2002.

Administrative Reductions

The administrative reductions made in the 2002 supplemental budget are distributed to all programs within the Department of Social and Health Services. (General Fund-State, General Fund-Federal)

Program 110

DSHS - Administration and Supporting Services**Recommendation Summary**

Dollars in Thousands

	FY 03 FTEs	General Fund State	Other Funds	Total Funds
2001-03 Expenditure Authority	664.4	52,838	47,945	100,783
Supplemental Changes				
Program Transfers	(5.0)	(887)	(1,938)	(2,825)
Centennial Building Lease Savings		3	1	4
HIPAA Standard Transactions	27.4	3,001	6,638	9,639
Postage		24	10	34
2003 Supplemental FTE Reduction	(21.6)			
Administrative Reductions	(30.5)	4,497	2,950	7,447
Subtotal - Supplemental Changes	(29.7)	6,638	7,661	14,299
Total Proposed Budget	634.7	59,476	55,606	115,082
Difference	(29.7)	6,638	7,661	14,299
Percent Change	(4.5)%	12.6%	16.0%	14.2%

Supplemental Changes**Program Transfers**

Funds are transferred among Department of Social and Health Services (DSHS) programs or between DSHS and other state agencies. (General Fund-State, General Fund-Federal)

Centennial Building Lease Savings

Funding was reduced in the 2001-03 biennial budget, anticipating that Centennial Buildings I and II would be purchased by the Department of General Administration. These purchases did not occur and funding to support existing leases is insufficient. (General Fund-State, General Fund-Federal)

HIPAA Standard Transactions

Funding is provided to implement the standards for electronic transactions to comply with the Health Insurance Accountability and Portability Act (HIPAA). (General Fund-State, General Fund-Federal)

Postage

Postage rates have increased by 8.8 percent due to a United States Postal Service (USPS) rate increase for first-class mail. This item funds the difference between the \$.34 rate and the new \$.37 rate, which went into effect July 1, 2002. (General Fund-State, General Fund-Federal)

2003 Supplemental FTE Reduction

In April 2002, the Governor directed agencies to reduce 400 FTEs statewide. The proposed 2003 supplemental budget eliminates these FTEs in agencies achieving the target, and imposes an additional reduction for the rest of the 2001-03 Biennium.

Administrative Reductions

The administrative reductions made in the 2002 supplemental budget are distributed to all programs within the Department of Social and Health Services. (General Fund-State, General Fund-Federal)

SUPPLEMENTAL BUDGET

Agency 107

Washington State Health Care Authority

Recommendation Summary

Dollars in Thousands

	FY 03 FTEs	General Fund State	Other Funds	Total Funds
2001-03 Expenditure Authority	310.4	6,655	715,890	722,545
Supplemental Changes				
Defer Basic Health Expansion	(21.8)		(28,556)	(28,556)
Technical Correction				
2003 Supplemental FTE Reduction	(8.9)			
Subtotal - Supplemental Changes	(30.7)		(28,556)	(28,556)
Total Proposed Budget	279.7	6,655	687,334	693,989
Difference	(30.7)		(28,556)	(28,556)
Percent Change	(9.9)%	0.0%	(4.0)%	(4.0)%

Supplemental Changes

Defer Basic Health Expansion

The Health Care Authority is scheduled to expand the Basic Health Program by 20,000 additional enrollees in Fiscal Year 2003. The current fiscal status of the Health Services Account, combined with the magnitude of the projected shortfall in the General Fund-State, has led the Office of Financial Management to recommend forestalling this scheduled expansion. (Health Services Account-State)

Technical Correction

Funding is shifted from the Uniform Dental Plan Benefits Administration Account to the State Health Care Authority Administrative Account.

2003 Supplemental FTE Reduction

In April 2002, the Governor directed agencies to reduce 400 FTEs statewide. The proposed 2003 supplemental budget eliminates these FTEs in agencies achieving the target, and imposes an additional reduction for the rest of the 2001-03 Biennium.

Agency 227

Criminal Justice Training Commission**Recommendation Summary**

Dollars in Thousands

	FY 03 FTEs	General Fund State	Other Funds	Total Funds
2001-03 Expenditure Authority	40.0		18,756	18,756
Supplemental Changes				
Emergency Vehicle Operation Course			29	29
Subtotal - Supplemental Changes			29	29
Total Proposed Budget	40.0		18,785	18,785
Difference			29	29
Percent Change	0.0%		0.2%	0.2%

Supplemental Changes**Emergency Vehicle Operation Course**

Effective July 1, 2002, the Washington State Patrol increased the fee to use the driving course in Shelton. The impact to the Criminal Justice Training Commission will be \$29,000 for the remainder of the biennium. Funding is needed to cover the additional costs assessed to the Basic Law Enforcement Academy. (Public Safety and Education Account-State)

SUPPLEMENTAL BUDGET

Agency 302

Home Care Quality Authority

Recommendation Summary

Dollars in Thousands

	FY 03 FTEs	General Fund State	Other Funds	Total Funds
2001-03 Expenditure Authority	3.1	152		152
Supplemental Changes				
Labor Negotiator	.5	19		19
Subtotal - Supplemental Changes	.5	19		19
Total Proposed Budget	3.6	171		171
Difference	.5	19		19
Percent Change	16.1%	12.5%		12.5%

Supplemental Changes

Labor Negotiator

Insufficient funding was provided to manage the ongoing labor issues related to the requirements of Initiative 775 in the Home Care Quality Authority's (HCQA) start-up budget. The HCQA recently negotiated a tentative labor agreement for home care workers subject to the ratification of its members and acceptance by the Legislature. This item funds a half-time labor negotiator to respond to the labor agreement requirements for Fiscal Year 2003 and the potential need to negotiate additional terms if the Legislature does not elect to accept the terms of the tentative agreement.

Agency 303

Department of Health**Recommendation Summary**

Dollars in Thousands

	FY 03 FTEs	General Fund State	Other Funds	Total Funds
2001-03 Expenditure Authority	1,183.0	112,277	540,940	653,217
Supplemental Changes				
2003 Supplemental FTE Reduction	(19.9)			
Operator Certification Fee Authority			121	121
Vaccine Funding Under Expenditure			(5,060)	(5,060)
Private/Local Expenditure Authority			1,300	1,300
Subtotal - Supplemental Changes	(19.9)		(3,639)	(3,639)
Total Proposed Budget	1,163.1	112,277	537,301	649,578
Difference	(19.9)		(3,639)	(3,639)
Percent Change	(1.7)%	0.0%	(0.7)%	(0.6)%

Supplemental Changes**2003 Supplemental FTE Reduction**

In April 2002, the Governor directed agencies to reduce 400 FTEs statewide. The proposed 2003 supplemental budget eliminates these FTEs in agencies achieving the target, and imposes an additional reduction for the rest of the 2001-03 Biennium.

Operator Certification Fee Authority

The operator certification program provides oversight for 4,200 Group A public water systems to ensure they provide safe and reliable drinking water. The program has experienced workload increases as a result of federal requirements that became effective in January 2001 through Washington State's Water Works Operator Certification Regulation. This change affected approximately 1,500 new operators and increased costs for processing applications, conducting testing, certifying operators, and addressing increased communication needs. This funding increase will maintain the current program level administration, using fund balance within the account. (Waterworks Operator Certification Account-State)

Vaccine Funding Under Expenditure

A temporary national shortage of four vaccines caused a one-time reduction in expenditures this biennium. The normal vaccination schedules will resume next biennium. This reduction aligns the spending authority with current needs. (Health Services Account-State)

Private/Local Expenditure Authority

A recent department review of programs that utilize private and/or local spending authority revealed the need for several end-of-biennium adjustments. These estimates will be updated again in March 2003 for legislative consideration. Examples of programs that require additional private/local spending authority this biennium include: Title 1 SeaKing - insurance premiums for HIV/AIDS clients in this program have risen, increasing the reimbursement from SeaKing to the Department by approximately \$500,000; the Susan G. Komen Foundation - funds from this program are derived from charitable contributions and are unpredictable, requiring periodic updates of revenue and expenditure estimates; and the Newborn Screening Program - a higher than expected number of screenings have been performed this biennium, requiring an increase in spending authority of about \$400,000 which is reimbursed through screening fees. (General Fund-Private/Local)

SUPPLEMENTAL BUDGET

Agency 305

Department of Veterans Affairs

Recommendation Summary

Dollars in Thousands

	FY 03 FTEs	General Fund State	Other Funds	Total Funds
2001-03 Expenditure Authority	611.8	19,590	52,328	71,918
Supplemental Changes				
New Microsoft Licensing Fee Imposed		113		113
Workers Compensation Changes		43	164	207
2003 Supplemental FTE Reduction	(18.8)			
Subtotal - Supplemental Changes	(18.8)	156	164	320
Total Proposed Budget	593.0	19,746	52,492	72,238
Difference	(18.8)	156	164	320
Percent Change	(3.1)%	0.8%	0.3%	0.4%

Supplemental Changes

New Microsoft Licensing Fee Imposed

The Department of Information Services entered into a new Microsoft enterprise agreement, effective July 2002, that covers the conditions for state agencies to add computers and load software without procuring licensing each time. Instead, agencies are required to pay annual licensing fees. Funding is included to cover the fee of the new agreement compared to the average annual costs to cover Microsoft licensing fees.

Workers Compensation Changes

The Department of Labor and Industries announced an increase in the workers' compensation rate effective January 1, 2003. (General Fund-State, General Fund-Federal, General Fund-Private/Local)

2003 Supplemental FTE Reduction

In April 2002, the Governor directed agencies to reduce 400 FTEs statewide. The proposed 2003 supplemental budget eliminates these FTEs in agencies achieving the target, and imposes an additional reduction for the rest of the 2001-03 Biennium.

Agency 310

Department of Corrections

Recommendation Summary

Dollars in Thousands

	FY 03 FTEs	General Fund State	Other Funds	Total Funds
2001-03 Expenditure Authority	7,873.5	1,071,299	37,764	1,109,063
Supplemental Changes				
Lease Rate Adjustments		181		181
Postage Rate Adjustments		63		63
Utility Rate Adjustments		1,324		1,324
2003 Supplemental FTE Reduction	(194.4)			
Federal Fund Transfer		(794)	794	
Health Care Inflation		1,880		1,880
Kent Office Fire	.7	280		280
Legal Mandates		77		77
Rate Increases		1,226		1,226
Regulatory Compliance		140		140
Workload Increase	293.1	24,469		24,469
Subtotal - Supplemental Changes	99.4	28,846	794	29,640
Total Proposed Budget	7,972.9	1,100,145	38,558	1,138,703
Difference	99.4	28,846	794	29,640
Percent Change	1.3%	2.7%	2.1%	2.7%

Supplemental Changes

Lease Rate Adjustments

The Department will incur rent increases for some of its leased facilities during Fiscal Year 2003. Funding is provided for lease increases at one regional administrative office, one work camp, and one work release facility.

Postage Rate Adjustments

Funding is provided for the increase in the United States postal rates that was effective July 1, 2002.

Utility Rate Adjustments

Utility rates for water, sewer, garbage, wood pellets, electricity, and natural gas have all increased beyond budgeted amounts.

Federal Fund Transfer

The federal Bureau of Justice Assistance allocated an additional \$794,000 of state Criminal Alien Assistance Program funds than originally estimated. The Department receives these federal funds to assist in paying the cost of incarcerating illegal aliens who have committed serious crimes in the state of Washington. (General Fund-State, General Fund-Federal)

Health Care Inflation

Health care services inflation rates average seven percent.

Kent Office Fire

The Department incurred \$280,000 in costs as a result of the Kent Community Corrections Office fire, which occurred on July 6, 2002.

SUPPLEMENTAL BUDGET

Legal Mandates

Funding is provided for an additional sewer bond at Stafford Creek Corrections Center.

Rate Increases

The Department requires a funding increase for mandatory services provided by the Department of Personnel, Department of General Administration, Office of Financial Management, Office of the Secretary of State, Department of Information Services, and Snohomish County.

Regulatory Compliance

Increased funding is provided for regulatory compliance activities which include lease purchasing automated medication devices, elevator repairs, and impact fees for the Snohomish County Fire District.

Workload Increase

Funding is provided for workload related items to reflect the November 2003 forecast from the Caseload Forecast Council.

*Agency 540***Employment Security Department****Recommendation Summary**

Dollars in Thousands

	FY 03 FTEs	General Fund State	Other Funds	Total Funds
2001-03 Expenditure Authority	2,151.8		440,273	440,273
Supplemental Changes				
Technical Correction				
Subtotal - Supplemental Changes				
Total Proposed Budget	2,151.8		440,273	440,273
Difference				
Percent Change	0.0%		0.0%	0.0%

Supplemental Changes**Technical Correction**

A technical correction adjustment is made to transfer funds from the Administrative Contingency Account to the Employment Services Administrative Account.

SUPPLEMENTAL BUDGET

Agency 461

Department of Ecology

Recommendation Summary

Dollars in Thousands

	FY 03 FTEs	General Fund State	Other Funds	Total Funds
2001-03 Expenditure Authority	1,442.3	73,687	246,584	320,271
Supplemental Changes				
Loan Tracking System			28	28
Subtotal - Supplemental Changes			28	28
Total Proposed Budget	1,442.3	73,687	246,612	320,299
Difference			28	28
Percent Change	0.0%	0.0%	0.0%	0.0%

Supplemental Changes

Loan Tracking System

This item provides additional funding for the completion of an automated loan tracking system in the 2001-03 Biennium. This new system will effectively manage current and future water quality improvement loans. This funding leverages \$140,000 of federal funding needed to complete the system. (Water Pollution Control Revolving-State)

Agency 465

State Parks and Recreation Commission**Recommendation Summary**

Dollars in Thousands

	FY 03 FTEs	General Fund State	Other Funds	Total Funds
2001-03 Expenditure Authority	644.6	62,538	38,329	100,867
Supplemental Changes				
Parking Fee Implementation			540	540
Firefighting at Steamboat Rock		16		16
Subtotal - Supplemental Changes		16	540	556
Total Proposed Budget	644.6	62,554	38,869	101,423
Difference		16	540	556
Percent Change	0.0%	0.0%	1.4%	0.6%

Supplemental Changes**Parking Fee Implementation**

The State Parks and Recreation Commission instituted a vehicle parking fee that is effective January 1, 2003. This item provides funding for fee collection. (Parks Renewal and Stewardship Account-State)

Firefighting at Steamboat Rock

Funding is provided for fire mobilization costs associated with a 2001 fire at Steamboat Rock State Park that were not covered by the agency's share of the fire contingency pool appropriated in the 2002 Supplemental Operating Budget.

SUPPLEMENTAL BUDGET

Agency 477

Department of Fish and Wildlife

Recommendation Summary

Dollars in Thousands

	FY 03 FTEs	General Fund State	Other Funds	Total Funds
2001-03 Expenditure Authority	1,532.4	90,709	196,877	287,586
Supplemental Changes				
2002-03 Winter Feeding			200	200
Federal Spending Authority				
Spartina Weed Control			233	233
Fish Food Cost Increase		87	45	132
Subtotal - Supplemental Changes		87	478	565
Total Proposed Budget	1,532.4	90,796	197,355	288,151
Difference		87	478	565
Percent Change	0.0%	0.1%	0.2%	0.2%

Supplemental Changes

2002-03 Winter Feeding

Funding is needed to purchase emergency winter feed (alfalfa hay and deer pellets) to maintain deer and elk herds if habitat destroying wildfires and/or severe winter weather prevent deer and elk from finding sufficient food in the wild.

Federal Spending Authority

Federal and local appropriation authority is redistributed between the General Fund and the Wildlife Fund. The number and types of federal and local contracts and related funding amounts changes from biennium to biennium. The Department has analyzed its actual federal and local expenditures through July 2002 and has found that a redistribution of spending authority between General Fund-Federal and Wildlife Fund-Local is needed. This change will ensure that the accounting of federal and local expenditures is correct at the end of the current biennium. (General Fund-Federal, Wildlife Fund-Private/Local)

Spartina Weed Control

The Department of Fish and Wildlife currently has about 1,100 acres of spartina-infested intertidal lands in Willapa Bay and north Puget Sound under its jurisdiction with control costs estimated at approximately \$2,500/acre over five years. Funds will be used to control existing infestations that threaten these intertidal lands and to participate more fully in cooperative efforts with other entities. This restores funding previously eliminated during the 2002 Supplemental Budget. (Aquatic Lands Enhancement Account-State)

Fish Food Cost Increase

Funding is provided to cover a 7.5 percent increase in the cost of fish food. This fish food is used by hatcheries across the state to produce salmon and trout for recreational and commercial purposes. Effective July 1, 2002, fish food vendors increased the prices they charge the Department by 7.5 percent. (General Fund-State, Wildlife Fund-State)

Agency 490

Department of Natural Resources

Recommendation Summary

Dollars in Thousands

	FY 03 FTEs	General Fund State	Other Funds	Total Funds
2001-03 Expenditure Authority	1,569.1	66,414	210,352	276,766
Supplemental Changes				
Fire Suppression		16,580	9,657	26,237
Derelict Vessel Removal			200	200
Subtotal - Supplemental Changes		16,580	9,857	26,437
Total Proposed Budget	1,569.1	82,994	220,209	303,203
Difference		16,580	9,857	26,437
Percent Change	0.0%	25.0%	4.7%	9.6%

Supplemental Changes

Fire Suppression

Funding is provided to cover incurred and anticipated fire suppression costs for fiscal year 2003 in excess of the Department's base appropriation for this purpose. Expenditures will exceed appropriated levels due to seven large fires within Washington State, increased costs associated with providing fire suppression assistance to federal agencies outside of Washington, and an increased fire potential in May and June 2003 due to unfavorable weather conditions and fuel loads.

Federal agencies will reimburse the Department for its assistance with federal fires, and these reimbursements will be deposited into the General Fund. (General Fund-State, General Fund-Federal)

Derelict Vessel Removal

Chapter 286, Laws of 2002, gives authorized public entities the authority and funding mechanism to seize, remove, and dispose of derelict vessels. The Department of Natural Resources' current level of funding provides for one staff member to establish the Derelict Vessel Removal Program, but does not provide matching funds for removal of derelict vessels. This item provides an initial amount of match for vessels removed during Fiscal Year 2003. (Derelict Vessel Removal Account-State)

SUPPLEMENTAL BUDGET

Agency 495

Department of Agriculture

Recommendation Summary

Dollars in Thousands

	FY 03 FTEs	General Fund State	Other Funds	Total Funds
2001-03 Expenditure Authority	719.7	15,249	76,228	91,477
Supplemental Changes				
Pesticide Strategy Reduction	(2.0)		(225)	(225)
2003 Supplemental FTE Reduction	(29.4)			
State Toxics Reduction			(416)	(416)
Subtotal - Supplemental Changes	(31.4)		(641)	(641)
Total Proposed Budget	688.3	15,249	75,587	90,836
Difference	(31.4)		(641)	(641)
Percent Change	(4.4)%	0.0%	(0.8)%	(0.7)%

Supplemental Changes

Pesticide Strategy Reduction

The Department's Pesticide Strategy Program experienced one-time staffing and efficiency savings during the 2001-03 Biennium. Funding and staffing are reduced to match the expected expenditure level for this program during FY 2003. (State Toxics Account-State)

2003 Supplemental FTE Reduction

In April 2002, the Governor directed agencies to reduce 400 FTEs statewide. The proposed 2003 supplemental budget eliminates these FTEs in agencies achieving the target, and imposes an additional reduction for the rest of the 2001-03 Biennium.

State Toxics Reduction

The original 2001-03 operating budget provided \$450,000 to the Department of Agriculture to reimburse county horticultural pest and disease boards for the costs of pest control and tree removal on abandoned orchards. Funding is reduced to match a lower level of estimated abandoned orchards activity during the 2001-03 Biennium. (Agricultural Local Account-Nonappropriated, State Toxics Control Account-State)

Agency 225

Washington State Patrol**Recommendation Summary**

Dollars in Thousands

	FY 03 FTEs	General Fund State	Other Funds	Total Funds
2001-03 Expenditure Authority	2,313.5	29,500	298,907	328,407
Supplemental Changes				
Administrative Fee Recovery			712	712
Federal Spending Authority			1,019	1,019
Recover Revolving Fund Reduction			56	56
DNA Kits		375		375
Aviation Insurance			99	99
Communications T1 Connections			101	101
Emergency Dispatching			63	63
Software Licensing		62	351	413
Subtotal - Supplemental Changes		437	2,401	2,838
Total Proposed Budget	2,313.5	29,937	301,308	331,245
Difference		437	2,401	2,838
Percent Change	0.0%	1.5%	0.8%	0.9%

Supplemental Changes**Administrative Fee Recovery**

The Washington State Patrol requires \$712,000 in additional spending authority from the Fingerprint Identification Account to cover operating costs associated with the payment of administrative fees collected for the Office of the Superintendent of Public Instruction and the Department of Social and Health Services for fingerprint-based background checks of applicants. (Fingerprint Identification Account-State)

Federal Spending Authority

The Washington State Patrol is provided additional federal and private/local appropriation authority in order to fully expend grant funds awarded to the agency. (General Fund-Federal and various other funds)

Recover Revolving Fund Reduction

The enacted 2002 Supplemental Budget contained a \$135,000 reduction to the State Patrol's revolving account allocation based on expected decreases in the cost of some services provided by other state agencies. The actual cost reduction, however, was only \$79,400. The additional \$55,600 in funding is restored to the agency's revolving fund allocation to match the actual reduction. (State Patrol Highway Account-State)

DNA Kits

The Washington State Patrol's Crime Laboratory Division began using the Short Tandem Repeats (STR) method of DNA analysis for criminal casework in early 2000. This program has been phenomenally successful: solving more than 40 previously unsolved assaults and homicides, confirming the identity of the perpetrator in over 300 cases with suspects, and eliminating dozens of innocent people as suspects in ongoing investigations. Consequently, the need for the specialized DNA kits and related reagents and disposable supplies has skyrocketed. Ongoing funding for an additional \$375,000 in kits and supplies is needed to ensure that forensic scientists trained and certified in DNA protocols have sufficient supplies to keep up with the increasing demand for these lab services.

SUPPLEMENTAL BUDGET

Aviation Insurance

The Washington State Patrol's Aviation Section currently operates a fleet of seven aircraft valued at over six million dollars. During Fiscal Year 2002, the cost of insurance premiums for these aircraft increased 45 percent over previous estimates. Funds are provided for the ongoing aviation insurance premium increase. (State Patrol Highway Account-State)

Communications T1 Connections

Funding is provided to support the increased communication line charges resulting from converting data transmission line speeds between Washington State Patrol detachment offices and district offices from slow analog connections to high-speed digital, T1 line connections. (State Patrol Highway Account-State)

Emergency Dispatching

The Washington State Patrol's Communications Division operates a 24-hour-a-day, 365-day-a-year statewide emergency communications system, which includes eight centers. The Division provides emergency dispatch services for mobile units of the Washington State Patrol, along with the Department of Fish and Wildlife, Liquor Control Board, Department of Transportation, State Parks, and other state and federal agencies on a reimbursement basis. Funding is provided for increased communications costs associated with 911 telephone services and computer-aided dispatch mapping. (State Patrol Highway Account-State)

Software Licensing

Each of the Washington State Patrol's more than 1,400 personal computers function using a Microsoft® operating system and business software applications. Effective July 1, 2002, the company changed its approach to providing software licenses and maintenance. With this change, the State Patrol entered into a three-year Microsoft "Enterprise" agreement through the Department of Information Services' Technology Brokering Service. This item provides for the increased annual charges associated with this agreement along with increased annual charges for anti-virus protection software. (General Fund-State and various other funds)

Agency 240

Department of Licensing**Recommendation Summary**

Dollars in Thousands

	FY 03 FTEs	General Fund State	Other Funds	Total Funds
2001-03 Expenditure Authority	1,271.2	10,666	194,445	205,111
Supplemental Changes				
Credit Card Costs		40	285	325
Lease Rate Adjustments		43	168	211
Postage Rate Adjustments		2	187	189
2003 Supplemental FTE Reduction	(36.0)			
Other Maintenance Adjustments		32	662	694
Subtotal - Supplemental Changes	(36.0)	117	1,302	1,419
Total Proposed Budget	1,235.2	10,783	195,747	206,530
Difference	(36.0)	117	1,302	1,419
Percent Change	(2.8)%	1.1%	0.7%	0.7%

Supplemental Changes**Credit Card Costs**

Funding is provided for credit card fees to allow the Department to continue to provide Internet renewals of vehicle and vessel registrations during the 2001-03 Biennium. (General Fund-State, Motor Vehicle Account-State)

Lease Rate Adjustments

Additional appropriation authority is provided to cover the increased lease costs at the Olympia Black Lake offices. (General Fund-State, various other funds)

Postage Rate Adjustments

Funding is needed to cover the cost of the United States postal rate increase implemented July 2002. (General Fund-State, Master License Account-State, Uniform Commercial Code Account-State, Motor Vehicle Account-State)

2003 Supplemental FTE Reduction

In April 2002, the Governor directed agencies to reduce 400 FTEs statewide. The proposed 2003 supplemental budget eliminates these FTEs in agencies achieving the target, and imposes an additional reduction for the rest of the 2001-03 Biennium.

Other Maintenance Adjustments

Additional spending authority is provided to cover the agency's unanticipated over-expenditure of Attorney General legal services. In addition, the Driver Services Division requires increased expenditure authority to implement legislation which gave the Department of Licensing full responsibility to regulate commercial driving schools. (General Fund-State, various other funds)

SUPPLEMENTAL BUDGET

Agency 405

Department of Transportation

Recommendation Summary

Dollars in Thousands

	FY 03 FTEs	General Fund State	Other Funds	Total Funds
2001-03 Expenditure Authority	6,582.8		3,499,317	3,499,317
Supplemental Changes				
Sand Shed Funding			(236)	(236)
Spokane Street Maintenance Facility			(333)	(333)
Program Support Savings			(551)	(551)
Fund Balance Adjustment			(60)	(60)
2003 Supplemental FTE Reduction	(156.0)			
WSF Tort Liability and Settlement			5,626	5,626
WSF Fuel Adjustment			(2,468)	(2,468)
Insurance Premium Increase			1,300	1,300
Subtotal - Supplemental Changes	(156.0)		3,278	3,278
Total Proposed Budget	6,426.8		3,502,595	3,502,595
Difference	(156.0)		3,278	3,278
Percent Change	(2.4)%		0.1%	0.1%

*Program D00***DOT - Highway Management and Facilities****Recommendation Summary**

Dollars in Thousands

	FY 03 FTEs	General Fund State	Other Funds	Total Funds
2001-03 Expenditure Authority	189.8		51,044	51,044
Supplemental Changes				
Program Support Savings			(551)	(551)
Subtotal - Supplemental Changes			(551)	(551)
Total Proposed Budget	189.8		50,493	50,493
Difference			(551)	(551)
Percent Change	0.0%		(1.1)%	(1.1)%

Supplemental Changes**Program Support Savings**

Because of a reduction in the number of projects, and the size of the highway construction program, the funding for program support activities is reduced in the headquarters building and the six regional offices. (Motor Vehicle Account-State)

SUPPLEMENTAL BUDGET

Program DOC

DOT - Plant Construction and Supervision

Recommendation Summary

Dollars in Thousands

	FY 03 FTEs	General Fund State	Other Funds	Total Funds
2001-03 Expenditure Authority	13.5		13,046	13,046
Supplemental Changes				
Sand Shed Funding			(236)	(236)
Spokane Street Maintenance Facility			(333)	(333)
Subtotal - Supplemental Changes			(569)	(569)
Total Proposed Budget	13.5		12,477	12,477
Difference			(569)	(569)
Percent Change	0.0%		(4.4)%	(4.4)%

Supplemental Changes

Sand Shed Funding

Installing sand sheds statewide is deferred to future biennia when funding is available. (Motor Vehicle Account-State)

Spokane Street Maintenance Facility

The design and construction phases of the Spokane Street Maintenance Facility is deferred until a future biennia when funding is available. (Motor Vehicle Account-State)

*Program E00***DOT - Transportation Equipment Fund****Recommendation Summary**

Dollars in Thousands

	FY 03 FTEs	General Fund State	Other Funds	Total Funds
2001-03 Expenditure Authority	242.3		103,612	103,612
Supplemental Changes				
2003 Supplemental FTE Reduction	(12.0)			
Subtotal - Supplemental Changes	(12.0)			
Total Proposed Budget	230.3		103,612	103,612
Difference	(12.0)			
Percent Change	(5.0)%		0.0%	0.0%

Supplemental Changes**2003 Supplemental FTE Reduction**

In April 2002, the Governor directed agencies to reduce 400 FTEs statewide. The proposed 2003 supplemental budget eliminates these FTEs in agencies achieving the target, and imposes an additional reduction for the rest of the 2001-03 Biennium.

SUPPLEMENTAL BUDGET

Program F00

DOT - Aviation

Recommendation Summary

Dollars in Thousands

	FY 03 FTEs	General Fund State	Other Funds	Total Funds
2001-03 Expenditure Authority	10.9		5,509	5,509
Supplemental Changes				
Fund Balance Adjustment			(60)	(60)
Subtotal - Supplemental Changes			(60)	(60)
Total Proposed Budget	10.9		5,449	5,449
Difference			(60)	(60)
Percent Change	0.0%		(1.1)%	(1.1)%

Supplemental Changes

Fund Balance Adjustment

The appropriation for the Aviation Division is reduced by \$60,000. This reduction is necessitated by a reduction in available revenue. (Aeronautics Account-State)

*Program M00***DOT - Highway Maintenance and Operations****Recommendation Summary**

Dollars in Thousands

	FY 03 FTEs	General Fund State	Other Funds	Total Funds
2001-03 Expenditure Authority	1,473.4		279,959	279,959
Supplemental Changes				
2003 Supplemental FTE Reduction	(73.0)			
Subtotal - Supplemental Changes	(73.0)			
Total Proposed Budget	1,400.4		279,959	279,959
Difference	(73.0)			
Percent Change	(5.0)%		0.0%	0.0%

Supplemental Changes**2003 Supplemental FTE Reduction**

In April 2002, the Governor directed agencies to reduce 400 FTEs statewide. The proposed 2003 supplemental budget eliminates these FTEs in agencies achieving the target, and imposes an additional reduction for the rest of the 2001-03 Biennium.

SUPPLEMENTAL BUDGET

Program S00

DOT - Transportation Management and Support

Recommendation Summary

Dollars in Thousands

	FY 03 FTEs	General Fund State	Other Funds	Total Funds
2001-03 Expenditure Authority	521.1		107,374	107,374
Supplemental Changes				
2003 Supplemental FTE Reduction	(20.0)			
Subtotal - Supplemental Changes	(20.0)			
Total Proposed Budget	501.1		107,374	107,374
Difference	(20.0)			
Percent Change	(3.8)%		0.0%	0.0%

Supplemental Changes

2003 Supplemental FTE Reduction

In April 2002, the Governor directed agencies to reduce 400 FTEs statewide. The proposed 2003 supplemental budget eliminates these FTEs in agencies achieving the target, and imposes an additional reduction for the rest of the 2001-03 Biennium.

*Program U00***DOT - Charges From Other Agencies****Recommendation Summary**

Dollars in Thousands

	FY 03 FTEs	General Fund State	Other Funds	Total Funds
2001-03 Expenditure Authority			42,829	42,829
Supplemental Changes				
WSF Tort Liability and Settlement			5,626	5,626
Subtotal - Supplemental Changes			5,626	5,626
Total Proposed Budget			48,455	48,455
Difference			5,626	5,626
Percent Change			13.1%	13.1%

Supplemental Changes**WSF Tort Liability and Settlement**

Funding is provided to align the Washington State Ferries (WSF) tort liability funding for indemnity and tort defense with biennium-to-date spending and actuarial supported projections. (Motor Vehicle Account-State)

SUPPLEMENTAL BUDGET

Program WOC

DOT - Washington State Ferries - Capital

Recommendation Summary

Dollars in Thousands

	FY 03 FTEs	General Fund State	Other Funds	Total Funds
2001-03 Expenditure Authority	130.7		177,362	177,362
Supplemental Changes				
2003 Supplemental FTE Reduction	(15.0)			
Subtotal - Supplemental Changes	(15.0)			
Total Proposed Budget	115.7		177,362	177,362
Difference	(15.0)			
Percent Change	(11.5)%		0.0%	0.0%

Supplemental Changes

2003 Supplemental FTE Reduction

In April 2002, the Governor directed agencies to reduce 400 FTEs statewide. The proposed 2003 supplemental budget eliminates these FTEs in agencies achieving the target, and imposes an additional reduction for the rest of the 2001-03 Biennium.

*Program X00***DOT - Washington State Ferries****Recommendation Summary**

Dollars in Thousands

	FY 03 FTEs	General Fund State	Other Funds	Total Funds
2001-03 Expenditure Authority	1,615.1		311,312	311,312
Supplemental Changes				
2003 Supplemental FTE Reduction	(36.0)			
WSF Fuel Adjustment			(2,468)	(2,468)
Insurance Premium Increase			1,300	1,300
Subtotal - Supplemental Changes	(36.0)		(1,168)	(1,168)
Total Proposed Budget	1,579.1		310,144	310,144
Difference	(36.0)		(1,168)	(1,168)
Percent Change	(2.2)%		(0.4)%	(0.4)%

Supplemental Changes**2003 Supplemental FTE Reduction**

In April 2002, the Governor directed agencies to reduce 400 FTEs statewide. The proposed 2003 supplemental budget eliminates these FTEs in agencies achieving the target, and imposes an additional reduction for the rest of the 2001-03 Biennium.

WSF Fuel Adjustment

Funding is decreased for fuel for the ferry fleet based on the latest estimated consumption rates and the fuel cost index. (Puget Sound Ferry Operations Account-State)

Insurance Premium Increase

Funding is provided for an insurance premium increase of \$1.3 million as negotiated with the Willis Corporation for Fiscal Year 2003. Premiums are based on recent claims and existing insurance market conditions. (Puget Sound Ferry Operations Account-State)

SUPPLEMENTAL BUDGET

Agency 350

Superintendent of Public Instruction

Recommendation Summary

Dollars in Thousands

	FY 03 FTEs	General Fund State	Other Funds	Total Funds
2001-03 Expenditure Authority	292.4	9,854,332	1,649,353	11,503,685
Supplemental Changes				
Federal and Other Funds Update			63,038	63,038
Enrollment and Workload Adjustments		22,548	1,271	23,819
Levy Equalization Update		857		857
Subtotal - Supplemental Changes		23,405	64,309	87,714
Total Proposed Budget	292.4	9,877,737	1,713,662	11,591,399
Difference		23,405	64,309	87,714
Percent Change	0.0%	0.2%	3.9%	0.8%

*Program 010***SPI - Office of the Superintendent of Public Instruction****Recommendation Summary**

Dollars in Thousands

	FY 03 FTEs	General Fund State	Other Funds	Total Funds
2001-03 Expenditure Authority	253.2	51,480	140,696	192,176
Supplemental Changes				
Federal and Other Funds Update			17,195	17,195
Subtotal - Supplemental Changes			17,195	17,195
Total Proposed Budget	253.2	51,480	157,891	209,371
Difference			17,195	17,195
Percent Change	0.0%	0.0%	12.2%	8.9%

Supplemental Changes**Federal and Other Funds Update**

The Superintendent of Public Instruction has submitted revised estimates for federal grants and other non-state revenues. The appropriation authority is increased to match higher than expected revenues. (General Fund-Federal, Miscellaneous Program Account-Nonappropriated)

SUPPLEMENTAL BUDGET

Program 021

SPI - General Apportionment

Recommendation Summary

Dollars in Thousands

	FY 03 FTEs	General Fund State	Other Funds	Total Funds
2001-03 Expenditure Authority		7,498,021		7,498,021
Supplemental Changes				
Enrollment and Workload Adjustments		7,766		7,766
Subtotal - Supplemental Changes		7,766		7,766
Total Proposed Budget		7,505,787		7,505,787
Difference		7,766		7,766
Percent Change		0.1%		0.1%

Supplemental Changes

Enrollment and Workload Adjustments

The public school enrollment for the 2002-03 school year is higher than expected by 315 FTE students (from 958,563 to 958,878). In addition, the funding needed to complete school district allocations for the 2001-02 school year is \$4 million higher than expected, due to school district adjustments submitted after the end of the 2002 state fiscal year.

*Program 022***SPI - Pupil Transportation****Recommendation Summary***Dollars in Thousands*

	FY 03 FTEs	General Fund State	Other Funds	Total Funds
2001-03 Expenditure Authority		385,695		385,695
Supplemental Changes				
Enrollment and Workload Adjustments		16,538		16,538
Subtotal - Supplemental Changes		16,538		16,538
Total Proposed Budget		402,233		402,233
Difference		16,538		16,538
Percent Change		4.3%		4.3%

Supplemental Changes**Enrollment and Workload Adjustments**

Public school enrollment growth is higher than expected, resulting in a funding increase for student transportation (from 4,621,751 weighted student miles to 4,625,578). The depreciation system payments are significantly higher than expected with new system depreciation more than doubling (from \$13.8 million to \$30.2 million) and contractor depreciation increasing from \$6.0 million to \$6.2 million. Prices on the state bid were significantly higher for one category of bus, which received only one contractor bid. This category will be removed from future state bid lists, which is expected to return depreciation payments to historical averages after this biennium.

SUPPLEMENTAL BUDGET

Program 025

SPI - School Food Services

Recommendation Summary

Dollars in Thousands

	FY 03 FTEs	General Fund State	Other Funds	Total Funds
2001-03 Expenditure Authority		6,200	290,187	296,387
Supplemental Changes				
Federal and Other Funds Update			10,805	10,805
Subtotal - Supplemental Changes			10,805	10,805
Total Proposed Budget		6,200	300,992	307,192
Difference			10,805	10,805
Percent Change		0.0%	3.7%	3.6%

Supplemental Changes

Federal and Other Funds Update

The Superintendent of Public Instruction has submitted revised estimates of federal grants and allocations. The appropriation authority is increased to match higher than expected revenues. (General Fund-Federal)

Program 026

SPI - Special Education**Recommendation Summary**

Dollars in Thousands

	FY 03 FTEs	General Fund State	Other Funds	Total Funds
2001-03 Expenditure Authority	1.5	828,926	256,407	1,085,333
Supplemental Changes				
Federal and Other Funds Update			37,640	37,640
Enrollment and Workload Adjustments		172	1,141	1,313
Subtotal - Supplemental Changes		172	38,781	38,953
Total Proposed Budget	1.5	829,098	295,188	1,124,286
Difference		172	38,781	38,953
Percent Change	0.0%	0.0%	15.1%	3.6%

Supplemental Changes**Federal and Other Funds Update**

The Superintendent of Public Instruction has submitted revised estimates of federal grants and allocations for education programs. The appropriation authority is increased to match higher than expected revenues. (General Fund-Federal)

Enrollment and Workload Adjustments

Enrollment in special education programs is higher than expected for the 2002-03 school year (from 118,146 students to 118,307 students). In addition, the funding needed to complete school district allocations for the 2001-02 school year is \$1.3 million higher than expected, due to school district adjustments submitted after the end of the 2002 state fiscal year.

The special education funds are allocated to districts for students ages 3-21, up to 13 percent of the district's total enrollment. State funds are provided for the first 12.7 percent of enrollment, with the remaining allocation for special education enrollment between 12.7 percent and 13 percent provided through federal special education funds. The 2002-03 school year is the first year in which the additional funding is provided for special education enrollment above 12.7 percent of total district enrollment. The estimates for 12.7 percent enrollment and the additional 0.3 percent enrollment have been adjusted since the original budget proposal (from 117,097 to 116,843 for the 12.7 percent enrollment with state funding, and from 1,049 to 1,465 for the 0.3 percent enhancement funded through federal funds). (General Fund-State, General Fund-Federal)

SUPPLEMENTAL BUDGET

Program 027

SPI - Traffic Safety Education

Recommendation Summary

Dollars in Thousands

	FY 03 FTEs	General Fund State	Other Funds	Total Funds
2001-03 Expenditure Authority		4,277		4,277
Supplemental Changes				
Enrollment and Workload Adjustments		101		101
Subtotal - Supplemental Changes		101		101
Total Proposed Budget		4,378		4,378
Difference		101		101
Percent Change		2.4%		2.4%

Supplemental Changes

Enrollment and Workload Adjustments

The funding necessary to complete the final Traffic Safety Education allocations is increased due to higher than expected enrollments in traffic safety programs in the 2001-02 school year.

*Program 029***SPI - Levy Equalization****Recommendation Summary**

Dollars in Thousands

	FY 03 FTEs	General Fund State	Other Funds	Total Funds
2001-03 Expenditure Authority		295,863		295,863
Supplemental Changes				
Levy Equalization Update		857		857
Subtotal - Supplemental Changes		857		857
Total Proposed Budget		296,720		296,720
Difference		857		857
Percent Change		0.3%		0.3%

Supplemental Changes**Levy Equalization Update**

Higher than expected assessed property values, local levy bases, and increased voter approval of local levies combined to increase the amounts needed for Local Effort Assistance.

SUPPLEMENTAL BUDGET

Program 032

SPI - Elementary & Secondary School Improvement

Recommendation Summary

Dollars in Thousands

	FY 03 FTEs	General Fund State	Other Funds	Total Funds
2001-03 Expenditure Authority			201,737	201,737
Supplemental Changes				
Federal and Other Funds Update			(2,077)	(2,077)
Subtotal - Supplemental Changes			(2,077)	(2,077)
Total Proposed Budget			199,660	199,660
Difference			(2,077)	(2,077)
Percent Change			(1.0)%	(1.0)%

Supplemental Changes

Federal and Other Funds Update

The Superintendent of Public Instruction has submitted revised estimates of federal grants and allocations for education programs. The appropriation authority is adjusted to match the expected revenues. (General Fund-Federal)

*Program 035***SPI - Institutional Education****Recommendation Summary***Dollars in Thousands*

	FY 03 FTEs	General Fund State	Other Funds	Total Funds
2001-03 Expenditure Authority		37,731	8,548	46,279
Supplemental Changes				
Enrollment and Workload Adjustments		(672)		(672)
Subtotal - Supplemental Changes		(672)		(672)
Total Proposed Budget		37,059	8,548	45,607
Difference		(672)		(672)
Percent Change		(1.8)%	0.0%	(1.5)%

Supplemental Changes**Enrollment and Workload Adjustments**

Enrollment in institutions is lower than anticipated by 147 FTE students (from 2,191 to 2,044).

SUPPLEMENTAL BUDGET

Program 045

SPI - Education of Highly Capable Students

Recommendation Summary

Dollars in Thousands

	FY 03 FTEs	General Fund State	Other Funds	Total Funds
2001-03 Expenditure Authority		12,699		12,699
Supplemental Changes				
Enrollment and Workload Adjustments		15		15
Subtotal - Supplemental Changes		15		15
Total Proposed Budget		12,714		12,714
Difference		15		15
Percent Change		0.1%		0.1%

Supplemental Changes

Enrollment and Workload Adjustments

Funding for the Highly Capable Program is provided for up to 2 percent of each district's K-12 enrollment. To account for higher than expected K-12 enrollment, funding for the gifted program is increased.

*Program 050***SPI - Student Achievement Program****Recommendation Summary**

Dollars in Thousands

	FY 03 FTEs	General Fund State	Other Funds	Total Funds
2001-03 Expenditure Authority			391,149	391,149
Supplemental Changes				
Enrollment and Workload Adjustments			64	64
Subtotal - Supplemental Changes			64	64
Total Proposed Budget			391,213	391,213
Difference			64	64
Percent Change			0.0%	0.0%

Supplemental Changes**Enrollment and Workload Adjustments**

Property tax revenues are deposited into the Student Achievement Fund, to be distributed to school districts based on the FTE student enrollment from the prior school year. Lottery revenues, of at least \$102 million, are divided between the Student Achievement Fund and the Education Construction Fund. Fiscal Year 2003 revenues from each source are updated, resulting in a net increase of \$64,000 and changing the maximum allocation per FTE student from \$219.84 to \$220 for the 2002-03 school year. (Student Achievement Fund-State)

SUPPLEMENTAL BUDGET

Program 055

SPI - Education Reform

Recommendation Summary

Dollars in Thousands

	FY 03 FTEs	General Fund State	Other Funds	Total Funds
2001-03 Expenditure Authority	37.7	67,030	61,071	128,101
Supplemental Changes				
Enrollment and Workload Adjustments		119		119
Subtotal - Supplemental Changes		119		119
Total Proposed Budget	37.7	67,149	61,071	128,220
Difference		119		119
Percent Change	0.0%	0.2%	0.0%	0.1%

Supplemental Changes

Enrollment and Workload Adjustments

More teachers attained certification from the National Board for Professional Teaching Standards than originally expected, bringing the total to 218 National Board certified teachers in Washington classrooms.

*Program 060***SPI - Transitional Bilingual Instruction****Recommendation Summary***Dollars in Thousands*

	FY 03 FTEs	General Fund State	Other Funds	Total Funds
2001-03 Expenditure Authority		87,501	20,280	107,781
Supplemental Changes				
Federal and Other Funds Update			(525)	(525)
Enrollment and Workload Adjustments		(651)		(651)
Subtotal - Supplemental Changes		(651)	(525)	(1,176)
Total Proposed Budget		86,850	19,755	106,605
Difference		(651)	(525)	(1,176)
Percent Change		(0.7)%	(2.6)%	(1.1)%

Supplemental Changes**Federal and Other Funds Update**

The Superintendent of Public Instruction has submitted revised estimates of federal grants and allocations for education programs. The appropriation authority is adjusted to match the revenue estimates. (General Fund-Federal)

Enrollment and Workload Adjustments

Enrollment in transitional bilingual programs is 918 students lower than expected for the 2002-03 school year (from 66,866 students to 65,948).

SUPPLEMENTAL BUDGET

Program 061

SPI - Learning Assistance Program

Recommendation Summary

Dollars in Thousands

	FY 03 FTEs	General Fund State	Other Funds	Total Funds
2001-03 Expenditure Authority		135,956	130,631	266,587
Supplemental Changes				
Enrollment and Workload Adjustments		(920)		(920)
Subtotal - Supplemental Changes		(920)		(920)
Total Proposed Budget		135,036	130,631	265,667
Difference		(920)		(920)
Percent Change		(0.7)%	0.0%	(0.3)%

Supplemental Changes

Enrollment and Workload Adjustments

The Learning Assistance Program (LAP) provides funds to school districts based on the proportion of low-achieving students in each district, defined by the percentage of students scoring in the lowest quartile on nationally normed tests. Districts also receive LAP funds based on the percentage of students, beyond the statewide average, who receive free and reduced price lunch. The percentage of students scoring in the lowest national quartile is declining, lowering the LAP allocation to school districts. The percentage of students above the state average for free and reduced price lunch is higher than expected. These combined factors result in a \$920,000 reduction in the LAP budget.

*Program 074***SPI - Education Enhancement****Recommendation Summary***Dollars in Thousands*

	FY 03 FTEs	General Fund State	Other Funds	Total Funds
2001-03 Expenditure Authority		23,204		23,204
Supplemental Changes				
Enrollment and Workload Adjustments		(7)		(7)
Subtotal - Supplemental Changes		(7)		(7)
Total Proposed Budget		23,197		23,197
Difference		(7)		(7)
Percent Change		(0.0)%		(0.0)%

Supplemental Changes**Enrollment and Workload Adjustments**

The funding to complete the final block grant allocations is reduced by \$7,000 due to lower than expected final enrollments for the 2001-02 school year.

SUPPLEMENTAL BUDGET

Program 714

SPI - Compensation Adjustments

Recommendation Summary

Dollars in Thousands

	FY 03 FTEs	General Fund State	Other Funds	Total Funds
2001-03 Expenditure Authority		380,813	191	381,004
Supplemental Changes				
Enrollment and Workload Adjustments		87	66	153
Subtotal - Supplemental Changes		87	66	153
Total Proposed Budget		380,900	257	381,157
Difference		87	66	153
Percent Change		0.0%	34.6%	0.0%

Supplemental Changes

Enrollment and Workload Adjustments

Public school and special education enrollments are greater than expected in the 2002-03 school year, increasing the number of teachers and staff funded by the state. This raises the cost of providing the health benefit and Initiative 732 cost-of-living increases in the 2002-03 school year. (General Fund-State, General Fund-Federal)

Agency 010

Bond Retirement and Interest**Recommendation Summary**

Dollars in Thousands

	FY 03 FTEs	General Fund State	Other Funds	Total Funds
2001-03 Expenditure Authority		1,251,110	489,098	1,740,208
Supplemental Changes				
Supplemental 2003		(40,040)	(26,353)	(66,393)
Subtotal - Supplemental Changes		(40,040)	(26,353)	(66,393)
Total Proposed Budget		1,211,070	462,745	1,673,815
Difference		(40,040)	(26,353)	(66,393)
Percent Change		(3.2)%	(5.4)%	(3.8)%

Supplemental Changes**Supplemental 2003**

Adjustments are made for underwriter's discounts and debt service requirements based on lower agency cash flow projections in a declining interest rate environment. (General Fund-State and various other funds)

SUPPLEMENTAL BUDGET

Agency 076

Special Appropriations to the Governor

Recommendation Summary

Dollars in Thousands

	FY 03 FTEs	General Fund State	Other Funds	Total Funds
2001-03 Expenditure Authority		107,369	101,645	209,014
Supplemental Changes				
Tort Claims/Defense		25,000		25,000
Health Services Account		35,000		35,000
Emergency Medical Services and Trauma Care System Trust Account		5,571		5,571
Subtotal - Supplemental Changes		65,571		65,571
Total Proposed Budget		172,940	101,645	274,585
Difference		65,571		65,571
Percent Change		61.1%	0.0%	31.4%

Supplemental Changes

Tort Claims/Defense

Recent increases in tort claims require additional funding to maintain a sufficient reserve in the Liability Account that funds the statewide Self Insurance Liability program. General Fund-State dollars are necessary for tort claims arising primarily from activities in the Department of Social and Health Services and Department of Corrections.

Health Services Account

To compensate for lower than expected ProShare revenues in the current fiscal year, \$35 million is transferred to the Health Services Account in order to maintain the Basic Health and Medicaid health care programs.

Emergency Medical Services and Trauma Care System Trust Account

Larger than expected volumes of trauma-related claims have led to a projected insufficient fund balance in the Emergency Medical Services and Trauma Care System Trust Account for the current biennium. Funding is provided to the Emergency Medical Services and Trauma Care System Trust Account from the General Fund to allow coverage of the submitted claims.

Agency 707

Sundry Claims**Recommendation Summary**

Dollars in Thousands

	FY 03 FTEs	General Fund State	Other Funds	Total Funds
2001-03 Expenditure Authority		274	5	279
Supplemental Changes				
Self-Defense Claims		31		31
State Employee Death Benefit		300		300
Deer and Elk Damage Claims			17	17
Subtotal - Supplemental Changes		331	17	348
Total Proposed Budget		605	22	627
Difference		331	17	348
Percent Change		120.8%	340.0%	124.7%

Supplemental Changes**Self-Defense Claims**

On the recommendation of the State Office of Risk Management, payment is made under RCW 9A.16.110 for claims for reimbursement of legal costs and other expenses of criminal defendants acquitted on the basis of self-defense.

State Employee Death Benefit

A death benefit payment is paid to the families of two state employees pursuant to Chapter 7, Laws of 2001, Section 715.

Deer and Elk Damage Claims

On the recommendation of the State Office of Risk Management, payment is made under RCW 77.12.280 for claims for damages to agricultural crops by wildlife. (State Wildlife Account-State)

SUPPLEMENTAL BUDGET

Agency 740

Contributions to Retirement Systems

Recommendation Summary

Dollars in Thousands

	FY 03 FTEs	General Fund State	Other Funds	Total Funds
2001-03 Expenditure Authority		31,645		31,645
Supplemental Changes				
FY 2003 Spending Level		232		232
Subtotal - Supplemental Changes		232		232
Total Proposed Budget		31,877		31,877
Difference		232		232
Percent Change		0.7%		0.7%

Supplemental Changes

FY 2003 Spending Level

This additional funding brings the appropriation level for Fiscal Year 2003 up to match the expected spending level.

2003 Supplemental FTE Reduction

In April 2002, the Governor issued an executive order directing agencies to reduce FTEs. The proposed 2003 supplemental budget eliminates these FTEs in agencies achieving the target, and imposes an additional reduction for the rest of the 2001-03 Biennium.

Agencies with FTE Cuts in the 2003 Supplemental	Fiscal Year 2003
075 Office of the Governor	(9.3)
102 Department of Financial Institutions	(3.9)
103 Department of Community, Trade, and Economic Development	(10.7)
105 Office of Financial Management	(6.1)
107 Health Care Authority	(8.9)
111 Department of Personnel	(6.9)
124 Department of Retirement Systems	(9.7)
140 Department of Revenue	(29.0)
147 Office of Minority and Women's Business Enterprises	(1.8)
150 Department of General Administration	(24.1)
155 Department of Information Services	(12.1)
235 Department of Labor and Industries	(66.5)
240 Department of Licensing	(36.0)
300 Department of Social and Health Services	(262.8)
303 Department of Health	(19.9)
305 Department of Veterans Affairs	(18.8)
310 Department of Corrections	(194.4)
315 Department of Services for the Blind	(3.8)
353 State School for the Deaf	(2.8)
405 Department of Transportation	(156.0)
462 Pollution Liability Insurance Program	(2.5)
495 Department of Agriculture	(29.4)
Total Supplemental FTE Reductions	(915.4)

Those agencies with other supplemental changes also include this FTE reduction in the agency's Recommendation Summary printed elsewhere in this document. Those agencies with only an FTE reduction are included in the list above; there are no individual recommendation summaries printed for those agencies.

2001-03 Biennial Budget, 2003 Supplemental, Combined Totals

for General Fund-State and Total Funds by Agency

(Dollars in Thousands)

Agency	2001-03 Biennial Budget		2003 Supplemental		Totals	
	GF-State	All Funds	GF-State	All Funds	GF-State	All Funds
State of Washington Totals						
Legislative	129,818	140,194			129,818	140,194
Judicial	73,294	140,864	2,327	2,327	75,621	143,191
Governmental Operations	383,769	2,649,665	(179)	31,624	383,590	2,681,289
Human Services	7,361,197	18,964,757	166,251	(80,164)	7,527,448	18,884,593
Natural Resources and Recreation	315,637	1,104,351	16,683	26,945	332,320	1,131,296
Transportation	40,166	4,372,397	554	7,535	40,720	4,379,932
Public Schools	9,854,332	11,503,685	23,405	87,714	9,877,737	11,591,399
Higher Education	2,731,564	6,445,607			2,731,564	6,445,607
All Other Education	54,473	110,984			54,473	110,984
All Other Expenditures and Appropriations	1,506,940	2,211,995	26,094	(242)	1,533,034	2,211,753
Total	22,451,190	47,644,499	235,135	75,739	22,686,325	47,720,238
Legislative and Judicial Agencies						
House of Representatives	55,385	55,430			55,385	55,430
Senate	45,662	45,707			45,662	45,707
Joint Legislative Audit and Review Committee	4,069	4,069			4,069	4,069
Legislative Transportation Committee		3,596				3,596
Legislative Evaluation and Accountability						
Program Committee	2,747	3,438			2,747	3,438
Office of the State Actuary		2,054				2,054
Joint Legislative Systems Committee	13,253	14,959			13,253	14,959
Statute Law Committee	7,826	10,065			7,826	10,065
Redistricting Commission	876	876			876	876
Supreme Court	10,987	10,987	20	20	11,007	11,007
Law Library	3,906	3,906	5	5	3,911	3,911
Court of Appeals	25,618	25,618	19	19	25,637	25,637
Commission on Judicial Conduct	1,895	1,895			1,895	1,895
Office of Administrator for the Courts	30,288	85,514	2,113	2,113	32,401	87,627
Office of Public Defense	600	12,944	170	170	770	13,114
Total	203,112	281,058	2,327	2,327	205,439	283,385
Governmental Operations						
Office of the Governor	8,525	12,652			8,525	12,652
Office of Lieutenant Governor	877	877			877	877
Public Disclosure Commission	3,756	3,756			3,756	3,756
Office of the Secretary of State	16,931	35,548			16,931	35,548
Governor's Office of Indian Affairs	543	543			543	543
Commission on Asian Pacific American Affairs	434	434			434	434
Office of State Treasurer		12,870				12,870
Office of State Auditor	1,952	44,110			1,952	44,110
Commission on Salaries for Elected Officials	227	227			227	227
Office of Attorney General	8,881	164,973	12	12	8,893	164,985
Caseload Forecast Council	1,231	1,231	9	9	1,240	1,240
Department of Financial Institutions		24,392				24,392
Department of Community, Trade, and						
Economic Development	131,092	354,566		13,623	131,092	368,189
Economic and Revenue Forecast Council	1,011	1,011			1,011	1,011
Office of Financial Management	24,964	70,952		12,000	24,964	82,952
Office of Administrative Hearings		22,444		1,079		23,523
Department of Personnel		32,886				32,886
State Lottery		812,320				812,320
Washington State Gambling Commission		29,353				29,353
Commission on Hispanic Affairs	436	436			436	436
Commission On African-American Affairs	418	418	8	8	426	426
Personnel Appeals Board		1,705				1,705

SUPPLEMENTAL BUDGET

2001-03 Biennial Budget, 2003 Supplemental, Combined Totals

for General Fund-State and Total Funds by Agency

(Dollars in Thousands)

Agency	2001-03 Biennial Budget		2003 Supplemental		Totals	
	GF-State	All Funds	GF-State	All Funds	GF-State	All Funds
Department of Retirement Systems		53,244				53,244
State Investment Board		13,461				13,461
Department of Revenue	150,768	161,068	(380)	(380)	150,388	160,688
Board of Tax Appeals	2,200	2,200			2,200	2,200
Municipal Research Council		4,575				4,575
Office of Minority and Women's Business Enterprises		2,616				2,616
Department of General Administration	1,204	129,658			1,204	129,658
Department of Information Services		207,397				207,397
Office of Insurance Commissioner		30,550				30,550
Board of Accountancy		1,716				1,716
Forensic Investigations Council		276				276
Horse Racing Commission		4,436				4,436
Liquor Control Board	2,922	155,626		493	2,922	156,119
Utilities and Transportation Commission		30,955				30,955
Board for Volunteer Firefighters		569				569
Military Department	17,875	148,358	134	4,742	18,009	153,100
Public Employment Relations Commission	4,564	4,564			4,564	4,564
Growth Management Hearings Office	2,958	2,958	38	38	2,996	2,996
State Convention and Trade Center		67,734				67,734
Total	383,769	2,649,665	(179)	31,624	383,590	2,681,289
Human Services Agencies						
Washington State Health Care Authority	6,655	722,545		(28,556)	6,655	693,989
Human Rights Commission	5,307	6,951			5,307	6,951
Board of Industrial Insurance Appeals		29,619				29,619
Criminal Justice Training Commission		18,756		29		18,785
Department of Labor and Industries	11,094	462,751			11,094	462,751
Indeterminate Sentence Review Board	1,968	1,968			1,968	1,968
Department of Social and Health Services	6,126,587	15,426,760	137,230	(77,977)	6,263,817	15,348,783
Home Care Quality Authority	152	152	19	19	171	171
Department of Health	112,277	653,217		(3,639)	112,277	649,578
Department of Veterans Affairs	19,590	71,918	156	320	19,746	72,238
Department of Corrections	1,072,559	1,110,323	28,846	29,640	1,101,405	1,139,963
Department of Services for the Blind	3,240	17,756			3,240	17,756
Sentencing Guidelines Commission	1,768	1,768			1,768	1,768
Employment Security Department		440,273				440,273
Total	7,361,197	18,964,757	166,251	(80,164)	7,527,448	18,884,593
Social and Health Service Programs						
Children's Administration	456,146	832,552	5,864	7,266	462,010	839,818
Juvenile Rehabilitation	162,258	230,853	706	650	162,964	231,503
Mental Health	583,737	1,147,254	11,996	10,397	595,733	1,157,651
Developmental Disabilities	629,106	1,207,851	5,028	2,660	634,134	1,210,511
Long Term Care	1,019,137	2,088,762	4,730	8,630	1,023,867	2,097,392
Economic Services Administration	837,958	2,220,365	24,501	51,199	862,459	2,271,564
Alcohol And Substance Abuse	72,873	230,878	(447)	(457)	72,426	230,421
Medical Assistance Payments	2,205,908	7,151,576	78,228	(172,557)	2,284,136	6,979,019
Vocational Rehabilitation	20,520	103,115	(14)	(64)	20,506	103,051
Administration and Supporting Services	52,838	100,783	6,638	14,299	59,476	115,082
Payments to Other Agencies	86,106	112,771			86,106	112,771
Total	6,126,587	15,426,760	137,230	(77,977)	6,263,817	15,348,783

2001-03 Biennial Budget, 2003 Supplemental, Combined Totals

for General Fund-State and Total Funds by Agency

(Dollars in Thousands)

Agency	2001-03 Biennial Budget		2003 Supplemental		Totals	
	GF-State	All Funds	GF-State	All Funds	GF-State	All Funds
Natural Resource Agencies						
Columbia River Gorge Commission	777	1,526			777	1,526
Department of Ecology	73,687	320,271		28	73,687	320,299
Pollution Liability Insurance Program		2,150				2,150
State Parks and Recreation Commission	62,538	100,867	16	556	62,554	101,423
Interagency Committee for Outdoor Recreation	323	14,270			323	14,270
Environmental Hearings Office	1,668	1,668			1,668	1,668
State Conservation Commission	4,272	7,770			4,272	7,770
Department of Fish and Wildlife	90,709	287,586	87	565	90,796	288,151
Department of Natural Resources	66,414	276,766	16,580	26,437	82,994	303,203
Department of Agriculture	15,249	91,477		(641)	15,249	90,836
Total	315,637	1,104,351	16,683	26,945	332,320	1,131,296
Transportation Agencies						
Board of Pilotage Commissioners		305				305
Washington State Patrol	29,500	328,407	437	2,838	29,937	331,245
Traffic Safety Commission		8,913				8,913
Department of Licensing	10,666	205,111	117	1,419	10,783	206,530
Department of Transportation		3,499,317		3,278		3,502,595
County Road Administration Board		89,341				89,341
Transportation Improvement Board		239,181				239,181
Marine Employees' Commission		332				332
Transportation Commission		773				773
Freight Mobility Strategic Investment Board		717				717
Total	40,166	4,372,397	554	7,535	40,720	4,379,932
Education Agencies						
Office of the Superintendent of Public Instruction	51,480	192,176		17,195	51,480	209,371
General Apportionment	7,498,021	7,498,021	7,766	7,766	7,505,787	7,505,787
Pupil Transportation	385,695	385,695	16,538	16,538	402,233	402,233
School Food Services	6,200	296,387		10,805	6,200	307,192
Special Education	828,926	1,085,333	172	38,953	829,098	1,124,286
Traffic Safety Education	4,277	4,277	101	101	4,378	4,378
Educational Service Districts	9,328	9,328			9,328	9,328
Levy Equalization	295,863	295,863	857	857	296,720	296,720
Elementary and Secondary School Improvement		201,737		(2,077)		199,660
Institutional Education	37,731	46,279	(672)	(672)	37,059	45,607
Education of Highly Capable Students	12,699	12,699	15	15	12,714	12,714
Student Achievement Program		391,149		64		391,213
Education Reform	67,030	128,101	119	119	67,149	128,220
Transitional Bilingual Instruction	87,501	107,781	(651)	(1,176)	86,850	106,605
Learning Assistance Program	135,956	266,587	(920)	(920)	135,036	265,667
Education Enhancement	23,204	23,204	(7)	(7)	23,197	23,197
State Flexible Education Funds	20,612	20,612			20,612	20,612
Better Schools Program	8,996	8,996			8,996	8,996
Compensation Adjustments	380,813	381,004	87	153	380,900	381,157
Common School Construction		148,456				148,456
Superintendent of Public Instruction	9,854,332	11,503,685	23,405	87,714	9,877,737	11,591,399

SUPPLEMENTAL BUDGET

2001-03 Biennial Budget, 2003 Supplemental, Combined Totals

for General Fund-State and Total Funds by Agency

(Dollars in Thousands)

Agency	2001-03 Biennial Budget		2003 Supplemental		Totals	
	GF-State	All Funds	GF-State	All Funds	GF-State	All Funds
Higher Education Coordinating Board	264,158	279,943			264,158	279,943
University of Washington	679,674	2,925,540			679,674	2,925,540
Washington State University	395,169	817,324			395,169	817,324
Eastern Washington University	89,241	162,729			89,241	162,729
Central Washington University	85,572	175,149			85,572	175,149
The Evergreen State College	49,513	88,824			49,513	88,824
Spokane Intercollegiate Research and Technology Institute	2,896	4,223			2,896	4,223
Western Washington University	117,700	235,470			117,700	235,470
Community and Technical College System	1,047,641	1,756,405			1,047,641	1,756,405
Higher Education Total	2,731,564	6,445,607			2,731,564	6,445,607
State School For The Blind	9,174	10,428			9,174	10,428
State School For The Deaf	15,146	15,378			15,146	15,378
Work Force Training and Education Coordinating Board	3,395	48,881			3,395	48,881
Washington State Library	12,000	18,976			12,000	18,976
Washington State Arts Commission	5,661	6,664			5,661	6,664
Washington State Historical Society	5,934	7,494			5,934	7,494
Eastern Washington State Historical Society	3,163	3,163			3,163	3,163
Other Education Total	54,473	110,984			54,473	110,984
Total	25,226,265	36,009,568	46,810	175,428	25,273,075	36,184,996
Special Appropriation Agencies						
State Employee Compensation	103,943	197,491			103,943	197,491
Bond Retirement and Interest	1,251,110	1,740,208	(40,040)	(66,393)	1,211,070	1,673,815
Special Appropriations to the Governor	107,368	204,772	65,571	65,571	172,939	270,343
Sundry Claims	274	279	331	348	605	627
Contributions to Retirement Systems	44,145	44,145	232	232	44,377	44,377
Appropriations in Other Legislation	100	25,100			100	25,100
Total	1,506,940	2,211,995	26,094	(242)	1,533,034	2,211,753

2003 Supplemental Capital Plan Appropriations by Agency and Project

	Estimate Total	Reappropriation 2001-03	New Appropriation 2001-03
Community, Trade, and Economic Development			
03-4-002 Public Works Trust Fund 2001-03 Supplemental			
058-1 Public Works Assistance Account-State	71,000,000		71,000,000
03-H-002 Inland Northwest Regional Sports and Recreational Project			
057-1 State Building Construction Account-State	(1,500,000)		(1,500,000)
Agency Fund Total			
058-1 Public Works Assistance Account-State	71,000,000		71,000,000
057-1 State Building Construction Account-State	(1,500,000)		(1,500,000)
Agency Total	69,500,000		69,500,000

Department of General Administration

01-H-021 Legislative Buildings - O'Brien and Newhouse Building Improvement			
036-1 Capitol Building Construction Account-State	(1,000,000)		(1,000,000)
289-1 Thurston County Capital Facilities Account-State	1,000,000		1,000,000
Agency Fund Total			
036-1 Capitol Building Construction Account-State	(1,000,000)		(1,000,000)
289-1 Thurston County Capital Facilities Account-State	1,000,000		1,000,000

Western Washington University

03-1-001 Parks Hall Fire Damage			
057-1 State Building Construction Account-State	1,500,000		1,500,000
Agency Fund Total			
057-1 State Building Construction Account-State	1,500,000		1,500,000

SUPPLEMENTAL BUDGET

**2003 Supplemental Capital Program Summary
by Source of Funds**

Source of Funds	Total	Reappropriations		Appropriations	
		State	Federal/Local	State	Federal/Local
Appropriated Funds:					
Capitol Building Construction Acct (036)	(1,000,000)			(1,000,000)	
Public Works Assistance Account (058)	71,000,000			71,000,000	
Thurston County Capital Facilities (289)	1,000,000			1,000,000	
Total Appropriated Funds	71,000,000			71,000,000	